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CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

China hit by new quake

crack

Police club marchers

Drumm outburst

m. charges

Carter slips

bomber

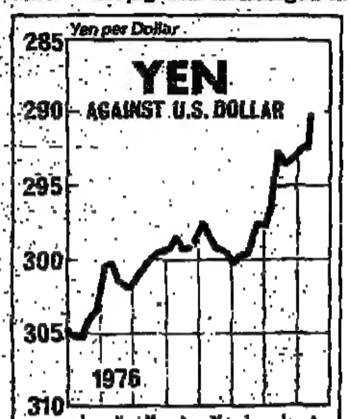
People

and places

BUSINESS

Yen rises strongly against dollar

● JAPANESE yen rose strongly closing at Y290¼ (Y291) to the dollar. Its weighted appreciation improved to 4.94 (4.71) per cent. Sterling was unchanged at



$1.7815 although its depreciation widened to 39.1 (38.9) per cent. The dollar's widened to 1.92 (1.81) per cent. In New York the D-mark broke through its float ceiling against the Belgian franc. Page 4 and Back Page

● EQUITIES improved though demand was limited. The FT 30-share index gained 2.8 to 377.2 while the FT-Actuaries All-Share index was 0.2 per cent. up at 153.75.

● GILTS were firm. Gains in shorts extended to ½ and in longs and mediums to ¼. The Government Securities Index was 0.25 up at 62.20.

● GOLD lost $¼ to $113¼.

● WALL STREET closed 2.58 up at 992.77 in quiet trading.

● COFFEE PRICES increased £72 to £1,551 for November positions because of renewed cold weather in Brazil. Page 23

● SAVE AND PROSPER is offering a £35,000 "reverse premium" and immunity from a coming rent review to sub-let a floor of a prestige City office block. Page 6

● CHRYSLER U.K. is launching a recruitment drive in the Midlands, only weeks after its 8,000-man redundancy drive was concluded, because of a rapid improvement in its order book. Page 6

● BP CONFIRMED that it hopes to sell oil from its Alaskan field to Japan from next year. Japanese businessmen are sounding out the possibility of increasing trade with Russia. Page 6

● U.S. CORPORATIONS' second quarter profits were 30 per cent. above levels in 1975 but little improved on this year's first quarter, according to Citibank. Page 18

● WEST GERMAN economy should grow between 5 and 6 per cent. next year, says the Government. Measures to counter structural unemployment may be necessary. Page 4

Royal Insurance profit doubled

● ROYAL INSURANCE first-half pre-tax profit more than doubled to £34.5m (£16.8m.). It announced an average 10 per cent. rise in premium rates for motorists from September 1. Page 6, Page 17 and Lex

● UNITED Dominions Trust, the largest recipient of loans from the big banks' "lifeboat," is thought to have negotiated a further reduction in interest repayable, saving up to £3m. a year. Back Page

● ALFRED HERBERT'S first half loss improved to £1.28m. (£3.48m.). In spite of a continuing shortage of new orders its performance as a State-owned company was markedly better. Back Page

● KEYSER ULLMAN'S net loss for the year to March improved to £9.9m. (£61.4m.). Page 20 and Lex

● TREMLETTS HOLDINGS pre-tax profit for the year to March 31 was £1.28m. compared with a re-stated £563,000 loss. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

Drought will make some foods dear and scarce—Peart

BY JOHN EDWARDS, COMMODITIES EDITOR

A warning of "some food shortages and some price increases" as a result of the drought hitting crops was given yesterday by Mr. Fred Peart, Minister of Agriculture and Food, during a tour of East Anglian farms.

The warning coincided with a long-range weather forecast from the Meteorological Office which gave little hope for an end to the drought.

The forecast predicted mainly dry and settled weather and below average rainfall until September 15, with only brief disturbed spells bringing some rain in many places towards the end of this month or early next month.

Mr. Peart, who is making a two-day tour to see how the drought is hitting farmers in the worst affected areas in the South-East and South-West, said that his fears about the impact of the unprecedented drought were now confirmed.

"I am not a rain god, although lots of people would like me to be. I don't believe in miracles."

He hoped people in the towns appreciated the problems that the farmers were facing. "When people complain about food prices they should realise the difficulties of production and how it has been affected."

Mr. Peart said, however, that any adjustment in farm returns such as the devaluation of the "green pound," which would immediately put up consumer prices generally, would have to be approved in Brussels first.

Increased acreages of some crops, and the ideal autumn that allowed a record plantings of cereals in exceptionally good conditions, would partly compensate for the poor yields now expected.

But he had watched the situation develop with "growing disappointment" as crops had suffered through lack of rain during the long dry summer.

The latest Ministry of Agriculture crop report, out yesterday said that in most parts of the country crop and grass growth had virtually stopped.

EEC milk plan, Page 12. Earth's water resources. Page 5. Sugar beet prospects, Page 23.

The cereal harvest was well advanced, but wheat yields were disappointing and barley yields below average.

Fodder supplies, used to feed livestock, were seriously low. Careful rationing of available hay and silage would be essential from now on.

Potato crop prospects continued to deteriorate. Sugar beet was not "bulking" but given rainfall there were still prospects of the crop improving.

Milk yields were also falling because of the lack of grass. There were reports of below average liveweight gains of both cattle and sheep.

Applications to the Government for powers to combat the drought have been drafted by all 10 water authorities of England and Wales.

Three of them — Yorkshire, Wales and the South West—want the power to cut off water at any time, even to industry, under the Drought Act.

The Welsh National Water Development Authority said last night that people in the South-East were not saving enough to prevent major cuts to industry.

In the first full week of nightly shutdowns of supply to 1m domestic consumers only 25 per cent. had been saved—5 per cent. below target.

The authority has said that industry might have to accept cuts of more than 50 per cent next month—a move which could lead to redundancies and lay-offs, according to the Welsh Confederation of British Industry.

The 13-hour overnight water cuts imposed by the Welsh Authority are due to last until October, when rain is expected.

More encouraging news came yesterday from the Severn Trent Water Authority, which takes in 11 counties including the industrial centres of the West Midlands. It said that industry and employment would not be affected if people responded to the calls for economy.

Chateau Margaux sale banned

BY RUPERT CORNWELL

PARIS, August 16.

THE FRENCH Government has vetoed the planned sale of Chateau Margaux to the National Distillers company of the U.S. for a reported Frs.82m. (£9m.)

The vineyard produces one of the five premier grand cru classé Bordeaux claret growths.

The decision, confirmed today by the Finance Ministry, throws the future of one of France's most celebrated vineyards into doubt and comes as a crushing blow to its present owners, the Ginestet wine merchants.

Margaux has been in the Ginestet family for four generations. However, such are the financial difficulties of the wine business after the dramatic rise in Bordeaux prices and their subsequent collapse that the vineyard's survival depends on the sale of thee hateau.

The rejection of the bid from National Distillers—and by implication of the offer of any other would-be foreign buyer—means that the arduous search for an acceptable "French solution" must begin again. And time is running short.

With the wine harvest due in a few weeks, the Ginestet family must soon find more money to meet commitments under long-term buying contracts with producers. Should the firm go under, there is a possibility that Margaux may simply and ignominiously be auctioned off.

Too low

In part, the Finance Ministry move is understandable. Any deal involving the purchase of 20 per cent or more of a French company by foreign interests must have official approval, and already two grand cru vineyards are in foreign hands.

Chateau Haut-Brion is owned by the American Dillon family and in 1963 the Pearson group acquired Chateau Latour.

But 18 months of effort has failed to produce a satisfactory French buyer for Chateau Margaux. At one stage, the Cognac house of Remy Martin was keenly interested but its offer was judged too low—so low in fact that it would have written down the value of every French vineyard. Their worth is set, however imprecisely, by the handful of top chateaux.

The Margaux crisis is also a stark illustration of the need for reorganisation that has been forced upon the Bordeaux wine industry by the traumatic events of the last few years: first, the price upheavals, and then the notorious scandal of 1973.

France asked to clarify aircraft plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. Aerospace Organising Committee has asked the French Government to clarify its intentions over international collaboration on civil aircraft manufacture.

The request became necessary, after last week's decision by France to go ahead with the short-to-medium range Mercure 200 airliner, using the Franco-U.S. CFM-56 engine and with only a small—15 per cent.—participation by McDonnell Douglas of the U.S.

Lord Beswick, chairman of the U.K. Organising Committee, met leaders of the French, West German and Dutch aircraft industries at Le Bourget yesterday, and made it clear that the U.K. was taking a cool view of the French decision.

The U.K. believes that the decision cuts sharply across earlier French claims that it is anxious to join in other civil programmes on a wider international basis. The U.K. wants much more information about the likely political and industrial effects of the decision.

Lord Beswick is believed to have made it clear that it is now virtually impossible to establish any firm plans for U.K. participation in the programme for the A-300 Airbus and its derivatives, at least until the Mercure 200 position is much clearer.

The view is shared by the West German and Dutch industries, which also have stakes in the Airbus and are interested in its possible derivatives.

The U.K. doubts about the Mercure 200 are based on the view that it is effectively a French-dominated venture.

Only 40 per cent of the airframe work, and none of the engine work, will be available outside the French and U.S. industries.

Apart from the engine—which is a 50-50 partnership between the French Snecma and U.S. General Electric companies—the U.S. McDonnell Douglas participation is only 15 per cent. This is so small that McDonnell Douglas is unlikely to drop its own plans for the DC-X-200 airliner.

McDonnell Douglas is still regarded as free to press on with other discussions on European collaboration. One idea is that it might co-operate with Airbus Industrie on A-300 derivatives, such as the B-10 216-seater.

It is understood that the U.K. and other European aircraft industry leaders—including Mr. Gerrit Klapwijk of VFW-Fokker and Mr. Ludwig Bolkow, chairman of Messerschmitt-Bolkow-Blohm—have made it clear that if the French persisted with the Mercure 200, the rest of Europe might feel free to go its own way.

This could mean collaboration with Boeing on such new ventures as the 7X7 family of jets and the 7N7 short-range jet airliner plan.

Unleashed

The U.K., in particular, is believed to feel that a link with Boeing has become a stronger possibility in the light of the Mercure 200 decision.

Rupert Cornwell writes from Paris: Last week's announcement on the Mercure 200 has hardly drawn an ecstatic reception in France.

Observers pointed out that the "agreement in principle" might come to grief when discussions turned to hard industrial detail and that it had unleashed all the traditional French wariness of co-operation with the U.S.

In spite of successive assurances from the French Government the aerospace union and the Left are uneasy about the threat of U.S. dominance.

Buckley leaves way free for Ford and Reagan

BY JUREK MARTIN

KANSAS CITY, August 16.

SENATOR James Buckley, the New York conservative, to-day removed one element of uncertainty at the Republican Convention here by saying he would not allow to be nominated for the party's Presidential candidacy on Wednesday night.

Last week Senator Buckley said he might get into the race to deny either President Ford or Mr. Ronald Reagan a first ballot victory.

The reasons for his move were not spelled out, but Vice-President Rockefeller advanced the theory this morning that he was acting at the behest of the ultra-conservative Senator Jesse Helms from North Carolina, who wanted Mr. Reagan to drop his Liberal running mate, Senator Richard Schweiker from Pennsylvania.

Senator Buckley, who is up for re-election himself in New York this year and who has been under heavy pressure from State Republicans critical of his initiative, was as delphic to-day as he was last week.

He merely said he thought there was no essential ideological differences between Mr. Ford and Mr. Reagan and he could support whoever won the nomination. He specifically said he would have no difficulty endorsing a Reagan-Schweiker ticket.

A Buckley candidacy would have been almost impossible to get off the ground. Apart from its lateness there is the party rule adopted last week which requires any Presidential aspirant to be able to lay claim to the

President Ford
Strategists work overtime

support of the majority of at least five State delegations.

But, rumours persist here that Mr. Reagan may yet drop Mr. Schweiker as his running mate during the Convention.

Senator Helms has repeatedly said that even if Mr. Reagan wins the nomination he does not think Mr. Schweiker will necessarily get the Vice Presidential nod the following evening.

Perhaps significantly, Mr Reagan had lunch to-day with Senator Helms, but without Senator Schweiker who has been Mr. Reagan's constant companion in the hunt for delegates in the 24 hours that they have been in Kansas City.

The Convention's opening session this morning was noteworthy for what did not happen. The Reagan forces had opportunities to raise rules and procedural questions and so test the mood of the delegates, but chose to hold their fire until to-morrow night, when the controversial Rule 16 C will be thrashed out. It requires Presidential candidates to name their prospective running mates on the morning before the Presidential ballot.

Additional challenges to the party platform are also expected in committee meetings this afternoon.

The outcome of the full Convention vote on Rule 16 C is uncertain, though the betting is slightly in favour of its defeat.

Mr. Elliott Richardson, the Commerce Secretary, and Mr William Scranton, the UN Ambassador, who are both possible

Carter slips, Page 5
Continued on Back Page

Rise of 1.7% in retail sales not likely to set trend

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SALES in shops recovered last month from the depressed level of the previous two months, but this is not expected by retailers to be the start of any sustained improvement.

The index for volume of retail sales rose by 1.7 per cent. to 108 (1971 = 100, seasonally adjusted), according to Department of Industry provisional estimate published yesterday.

Retail sales have fluctuated sharply this year—boosted in January by the specially strong sales season and in April by the Budget.

The latest advance may partly reflect particularly successful mid-year sales beyond that allowed for in the usual seasonal adjustment, as consumers may be concentrating more of their purchases on the special sales periods.

The very high number of foreign tourists, especially in London, has obviously had a significant effect on stores in certain areas.

Its impact is difficult to judge, but is minimal overall. Overseas tourists in the U.K. account for about 2 per cent. of total consumer expenditure throughout the year.

The rise last month may also be partly a reaction from the impact of the very hot weather on the June index.

The provisional estimate is, of course, subject to revision, and was adjusted downward in June, so, given the erratic monthly

RETAIL SALES VOLUME
(Seasonally adjusted)

		1971 = 100
1975	1st	111.3
	2nd	108.9
	3rd	105.5
	4th	105.8
1976	1st	107.3
	2nd	106.7
	April	108.5
	May	105.7
	June	106.1
	July	108*

* Provisional.
Source: Department of Industry

background, it is clearly to early to talk about a change from the recent, generally flat, underlying trend.

The Retail Consortium does not see any indication of a prolonged rise in consumer spending, though the last few months have not been as bad as some retailers were fearing.

It says there has been no marked revival in consumer confidence, and cites as dampening influences the continued squeeze on real disposable income and high level of unemployment.

Consequently, it foresees only temporary flurries caused by special sales, the tax rebates, and, for example, by lower prices for some types of food.

The official view is that consumer expenditure (of which retail sales are about half) will be broadly the same in both halves of this year, though the OECD forecast recently a decline of about 1¼ per cent. at annual rate between the periods.

The income tax changes conditional on the second stage of the pay policy and associated rebates of more than £200m. came into effect this month: the unconditional changes and refunds of child tax allowances came through earlier.

Their impact is likely to be spread over the whole of the rest of the year, helping to sustain total consumer spending at around the first-half level.

The Department of Industry has estimated provisionally that the value of retail sales last month was 14 per cent. higher than 12 months earlier. In the first seven months of this year, the average value of sales was 13 per cent. higher than in the corresponding period of last year.

LOMBARD

In praise of Lord Barber

BY ANTHONY HARRIS

WHAT ARE the qualities that make a great Chancellor of the Exchequer? The Treasury has never had any doubt. A great Chancellor is one who carries sufficient weight in Cabinet to impose the Treasury view on his reluctant and sometimes rebellious colleagues. On this test there have certainly been two in recent years—the much admired Mr. Roy Jenkins, and Mr. Denis Healey.

However, it is an almost unbearably depressing thought that this is the whole story. For one thing, Chancellors cannot expect to exercise this kind of dominance in normal times: it is only in times of imminent collapse of the currency and of national credit that the Treasury can dictate.

Suspicion

This fact has inspired a certain amount of suspicion that the Treasury is not above inspiring a currency crisis at times when its patience is wearing thin. Personally, I still find it more credible that the extraordinary mishandling of the currency markets in March was a matter of bungling—particularly in the complacent statements about "realistic adjustments" which inspired that market's belief that the authorities were actively pushing the pound down—than of Machiavellian planning: but deliberately or not, it did the trick.

These thoughts are inspired by the angry criticisms voiced by Mr. Healey's newly-retired political adviser, Mr. Adrian Ham, who has accused Treasury officials of a despairing and cynical view of the problems they face — though the officials concerned are, he says, charming, intelligent and far from obscurantist men. This sounds very like the institution which has inspired my own admiration and despair over the years; and it goes far to explain why those Chancellors most admired in Great George Street have seemed such dour and unattractive characters to the general public —and, indeed, to their own party political friends.

Some further sour thoughts follow in this train. Does it really require greatness to impose the Treasury view at a time of crisis, or is it the crisis which produces the "great" Chancellors? And do these disciplinarians impose a Treasury view —a view which they themselves have formed—or do they rather succumb to a Treasury malaise?

The second question arises because those Chancellors who have been most unyielding in enforcing the Treasury's crisis prescriptions have so far left us singularly little else to remember them by. The reforming and innovative Chancellors —those who have brought some ideas identifiably their own to the office, and seen them carried out—have tended to be men who would rank very low in any official table—Mr. Selwyn Lloyd, Mr. James Callaghan, and Mr. Anthony Barber, as he then was.

Lord Barber is a man whom it would be a real pleasure to rescue from the reputation which now seems to have been settled on him, even by his natural sympathisers in the City. He is an extremely likeable man, and not at all vain: no one is readier than he to acknowledge the mistakes made during his period of office. The Treasury would dearly like to disown him. Yet the first of those mistakes—the "reform" introduced by the Bank of England as "Competition and Credit Control"—was pushed through by the Bank, with Treasury backing, past a reluctant Chancellor, and sowed the seeds of total confusion over monetary policy; and once the alarm bell had been muffled, the mistakes which followed were easier to make.

Callakins

What seems to be forgotten is Lord Barber's record as a reforming Chancellor—one of the hardest things to achieve once you are actually faced with all those charming, persuasively intelligent but fundamentally despairing mandarins. Mr. Callaghan also achieved much in this way, and Mr. Lloyd had intended to do so when he was replaced; but I find Mr. Barber's reforms, the unification of the tax system and its intended sequel, the tax credit scheme, the most attractive and logical. At a time when everyone in Britain knows that we are desperately over-taxed, yet the record show that taxpayers in other countries bear similar burdens with far less discomfort, reform is clearly desperately needed: and what we have yet to see is a Chancellor who can both fight the Treasury's battles in Cabinet and a successful reforming battle in Great George Street—a Callakins or a Barley as it were. There are plenty of ideas for such a man to examine: watch this space.

FILM AND VIDEO — BY JOHN CHITTOCK

Microfiche savings

IN THIS quincentennial year of Caxton, users of conventional print and paper may well wonder where it will all end, as costs have almost doubled in five years. The audio-visual practitioners can offer plenty of answers, of course, although the answers all seem to be very slow in catching on. The classic solution is the microfiche — a postcard size sheet of film containing up to 98 separate "frames" or pages.

The advantage of the microfiche is not only savings in space, which are of course dramatic, but savings in cost too. The photographic mastering of one microfiche from 98 conventional pages of print will cost approximately £5 — and thereafter copies on a run of only one to five cost about 21p each, reducing to only 9½p on a run of 501 copies or more. This may represent only one-quarter of the cost on a conventional printing run of 500 copies using 98 pages of paper.

One is amazed therefore, at the current costs of printing annual reports on paper. The really large public companies may be ordering over ½m. copies of each report. Unfortunately, shareholders would need microfiche readers if their annual reports appeared in this form—but with the postage of a microfiche less than half or even a quarter of a company report, it might even be worth giving a microfiche reader to every shareholder. The cheapest at present costs about £20. Since most annual reports are thrown away, it would be interesting to know what would happen if shareholders were sent microfiches instead, *without* the viewer.

Annual reports

Oxford Microform Publications, one of the companies specialising in microfiche publishing, reckon that the failure of microforms to achieve their real commercial potential is due to lack of marketing. It might also be added that the availability of a really cheap plastic viewer is another major shortcoming.

Meanwhile, if annual reports must still continue to be issued on expensive paper, at least some organisations are making use of videocassettes and films to supplement the printed report — thereby allowing simpler and cheaper presentation of the bare facts in print. Latest to do this is the Electricity Council, whose printed annual report was being distributed throughout the country but — like shareholders reports — rarely read by the employees. This year, 167,000 staff throughout the country are now being offered television and film screenings of a specially-made programme about the 1976 report. This highlights key issues and includes interviews with Sir Peter Menzies, Chairman of the Electricity Council, and Mr. Frank Chapple, General Secretary of the Electrical and Plumbing Trades Union. For those who really need the hard figures, a straightforward 30-page report on old-fashioned paper is also available.

The trend for audio-visual media to become integrated with print and paper, or even to replace it, throws up an extraordinary number of new and unexpected problems for librarians, researchers and serious users of the media: cataloguing and indexing the material. Access to films, slides, videotapes and similar media demands a range of technical facilities, and the established methods of defining, indexing and retrieving information from books are often inadequate for audio-visual media.

The problem is of such magnitude that various national and academic bodies have been studying it for some years, and Aslib (the Association of Librarians) even has an audio-visual group which publishes its own magazine — *The Audio-Visual Librarian*. Another booklet just published by the Council for Educational Technology is *Audio-Visual Materials: Development of a National Cataloguing and Information Service.*

The report arises from a joint working party established by the CET and the British Library. It not only examines the nature of the problem and the needs of users, but explores the technical feasibility of establishing a national service within the British Library's computer system. The British Library has accepted that it should, in principle, assume a co-ordinating function in the bibliographic recording of this material—but this is only the tail-end of the problem.

Catalogue

First, the collation of information about audio-visual materials is not easy because there is no legal depository system, as is the case with books. Copies of all new books must, by law, be deposited at the British Library and a few similar places. Additionally, the kind of information about audio-visual media that needs to be recorded is often more complex than in the case of books — for example, with a film, not only the title, "publisher" and "author," but full technical credits, film gauge and running time, technical information about its replay equipment, and ideally more precise data on the subject/locations in the film.

Furthermore, the cataloguing of audio-visual media poses very complex problems, not least of which is the range of materials — slides, sound tapes, films, etc. — that the librarian is trying to unify on a common index.

The main recommendation of the British Library/CET report is aimed at the establishment of a central data bank. By an odd coincidence, another group centred round Imperial College, London, is also currently airing ideas for a computerised service to cover even broader needs of the film and television industries — and this project will be examined in the course of a one-day conference about computers in the film and TV industry, to be held at Imperial College on October 29. The possibilities range well beyond information applications — for example, computer animation, production management, numerical control of equipment and even forecasting box office trends and successes.

SPORT

CRICKET: FIFTH TEST — BY TREVOR BAIL[EY]

Odds on draw as Englan[d] chase 392 more runs

ENGLAND ENDED the fourth day of the fifth Test requiring 392 to win, thanks to a bright start from Amiss and Woolmer, who put on 43 without loss in only five overs at the Oval.

Although an English victory is technically possible, the odds are strongly on a draw as the West Indies are unlikely to secure ten wickets on this travesty of a pitch. But with their slow over rate and defensive fields they should have no trouble in frustrating England's bid.

The highlights yesterday were the pace bowling of Holding, Amiss reaching his 203, a pleasing 50 from Knott and a promising debut with the bat by Miller, and the systematic murder of the English attack by Greenidge and Fredericks.

In the morning England continued their bid to save the match with Saturday's hero, Amiss, and nightwatchman Underwood in charge of the operation. There was, of course, no other possible objective for them once the West Indies had taken their total past 500.

Amiss, with 176 already to his credit, quickly dropped into his run-scoring groove. The West Indian pace pair, Holding and Roberts, tried a new ploy, going round the wicket against the Warwickshire opener, but to no avail.

Masterly

When the total reached 323 Holding knocked Underwood's off stump out of the ground, and soon afterwards Amiss completed a masterly double-century out of 336.

The tourists' hopes of being in a position to enforce and exploit the follow-on received a serious setback as their third quickie, Daniel, pulled a leg muscle in chasing a ball to the boundary, and limped sadly off.

However, Holding quickly revived hopes when he bowled Amiss round his legs. This time Amiss shuffled across a shade too far.

Knott found a useful ally in newcomer Miller, who, though he began diffidently, gradually settled down to play a very sensible innings. Batting became easier when the menacing Holding was eventually rested, and Knott showed a distinct partiality for King.

At lunch the pair were still together, having taken the score to 401 for seven, with Knott 45 and Miller 17.

In the afternoon, Knott duly completed his chirpy half-century and it began to look as if the follow-on would be saved. Then Holding struck with successive balls.

First he dismissed Knott, and then Selvey for a duck. Willis prevented the hat-trick, and became associated with Miller in a last-wicket partnership which produced 24 runs and used up a certain amount of time. Miller was batting with ever-increasing confidence, showing sound technique and some pleasing strokes, until he was caught at mid-on trying to pull Holder.

The bowling of Holding throughout the innings was quite magnificent. Bearing in mind the easy pace of the pitch it was one of the truly great fast bowling feats. His final figures were 33-9-92-8.

With England all out for 435, Lloyd decided not to enforce the follow-on because he had one bowler injured, no genuine spinner, and his pace men were tired from their exertions on the dead wicket.

Greenidge and Fredericks went after quick runs and the former helped himself to 14 off a horrid first over by Willis, who did not appear to have learned the folly of dropping the ball short, and conceded eight off his next.

At 53, Underwood replaced Willis, and Greig, rather surprisingly, went on himself instead of Miller, presumably the first-choice spinner. At [lunch] West Indies were 66 fo[r 0 in] only 12 overs.

After the interval, [England] reverted to defensive [fields] which proved complet[ely in]effective, and they appe[ared to] be bowling for a de[claration] more than anything els[e. The] hundred came up [...] Fredericks reached 50, [...] turned an ankle ove[r and] had to leave the [field.] Greenidge reached 50. [The] West Indian openers dom[inated] the English bowlers, [and] had made 182 off [...] overs when the declarati[on was] applied. Some of th[e field] placings were difficult [to com]prehend and made m[...] those seen in limited-over[s cricket] appear positively attacki[ng.]

There were numerous [...] strokes, including a [...] mid-off by Greenidge o[ff the] unfortunate Willis. It m[ust be] admitted that the quality [of the] bowling left much to be d[esired,] and it was rather odd that [...] was not given an over.

Amiss and Woolmer [took] some sweet runs, helped b[y un]attacking fields and some [under]standably tired loose bowl[ing from] Holding and Roberts.

Michael Holding, alongside umpire Bill Alley, finished eight for 92 with a fine sustained piece of bowling

West Indies 687 for 8, and 182 for 0.
England 435 and 43 for 0

ATHLETICS — BY MICHAEL THOMPSON-NO[EL]

Walker may attack his world mile mark at Crystal Palace

NEW ZEALAND'S John Walker may attack his own world mile record of 3 mins. 49.4 secs. at the first Debenhams International Games at Crystal Palace, London, on September 17.

Walker, the Montreal Olympic 1,500 metre champion, is due to race in Zurich, Gateshead and Oslo between now and September 4, but will then have 13 days to prepare for the Debenham mile.

Whether he decides to tackle the world mile mark will depend on the weather and the calibre of the opposition but the Crystal Palace mile would be Walker's last race before he returns home to New Zealand.

Other luminaries in what promises to be an exhilarating meeting include Mac Wilkin of the U.S., the Olympic discus champion, chatterbox Dwight Stones, America's world high jump record holder, and Annegret Richter of West Germany, the Montreal 100m. gold medallist.

Two of Britain's top distance runners, Brendan Foster, the Montreal 10,000m. bronze medallist, and Ian Stewart, seventh in the Olympic 5,000m. to Foster's 5th, will tangle in the Debenham two miles with New Zealand's Rod Dixon and Dick Quax.

Dixon and Quax will have the same 13-day preparation for this race as Walker for the mile. Quax won the Olympic 5,000m. silver medal in 13m. 25.16s., a gasp or so behind Finland's Lasse Viren. Dixon finished fourth, 0.69 seconds [...] Foster.

One of the organisers [of the] meeting said last night th[e] programme had been form[ed] to enable Britain's top at[hletes] to finish the season on a [high] note against world class o[pposi]tion.

In the 400m. hurdles Bri[tain's] Alan Pascoe (who clocked [...] on Saturday) will meet [...] Boulding of the U.S. [In the] shot, Geoff Capes, the U.K. [record] holder, will face Al Feue[rbach] and Peter Shmock of the U[.S.]

Feuerbach finished four[th in] Montreal (20.55 metres), [...] sixth (20.36m.) and S[...] ninth (19.89m.).

David Jenkins will run [the] 400 metres and efforts are [being] made to find the toughest op[posi]tion.

RACING — BY DOMINIC WIGAN

Wollow ready for revenge

IN THE BELIEF that Wollow had not returned to his outstanding spring form when going down to Trepan in the Joe Coral Eclipse, and that he is now back to his best, I take him to turn the tables on his French conqueror in to-day's Benson and Hedges Gold Cup (3.10 York).

Wollow, appearing at Sandown not to have recovered from his hard race in the Derby, ran surprisingly well considering his appearance, finishing runner-up to Francois Boutin's four-year-old with the remainder well beaten.

Some four weeks late at Goodwood, he looked an altogether different horse, having put on weight and muscle. Always going easily in the Sussex Stakes, his performance matched his looks. After being sent into the lead approaching the quarter mile marker, he had to be kept going only with hands and heels by Gianfranco Dettori to hold Free State.

If, as I hope, Wollow can reproduce that running over to-day's additional 2½ furlongs, he may well cause another upset in this race, which has seen the downfall of such champions as Brigadier Gerard and Grundy.

Empery, who follows Trepan (evens) and Wollow (3-1) in the betting, makes no appeal, and it is difficult to understand the enthusiasm of those who have steadily supported him at odds of around 9-2.

As always, the Lowther Stakes (3.45) has attracted some of the best two year old fillies in the country, and betting is likely to take a wide range with all 13 runners having already opened their accounts.

The unbeaten Crown Prince filly, *Ampulla*, will almost certainly head the market. This daughter of that remarkable mare, A.1, made short work of the favourite, Realm Tree, on her debut in the George Lambton Stakes at Newmarket [in] May, and she was not h[ard] pressed to follow up w[hen] defeating Al Stanza in [the] Cherry Hinton Stakes five we[eks] ago. The runner-up confirm[ed] that form with a clear-cut s[uc]cess in the Princess Marga[ret] Stakes at Ascot a fortnight lat[er.]

Ampulla is preferred [to] another winner at the July me[et]ing, the chestnut Jimmy Rep[pin] filly, Icena, who won [the] Princess Maiden Stakes.

YORK
2.00—Night Before*
2.30—Aviator**
3.10—Wollow***
3.45—Ampulla
4.15—I've a Bee
4.45—Night in Town
5.15—Peranka

FOLKESTONE
1.45—Hill Station
2.15—Dancing Partner
2.45—Miss Kung Fu
4.15—Ice King

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 a.m. Open University (UHF only). 9.35 Dastardly and Muttley in their flying machines. 9.45 Jackanory. 10.00 Devlin. 10.25 Roobarb. 10.30 Country Search. 10.55 Cricket: Fifth Test, England v. The West Indies. 1.30 p.m. Andy Pandy. 1.45 News. 2.05 Cricket: Fifth Test, England v. The West Indies. 4.15 Interval. 4.23 Regional News (except London). 4.25 Play School. 4.50 We are the Champions 1976. 5.15 Lippy Lion and his friends. 5.40 Magic Roundabout. 5.45 News. 6.00 Nationwide. 6.45 The Beatles: "Yellow Submarine."
8.10 Sutherland's Law.
9.00 News.
9.25 Sykes.
9.55 Panorama Special: Battle of the Republicans from the Republican Convention in Kansas City.
10.45 Bert d'Angelo.
11.30 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

WALES—6.00 p.m. Wales To-day. 6.45 Newydd. 7.00 The Wonderful World of Disney. 7.40-8.10 Bellamy's Europe. 11.30 News and Weather for Wales.

SCOTLAND — 10.10-10.55 a.m. The Wonderful World of Disney. 6.00-6.45 p.m. Reporting Scotland. 11.30 News and Weather for Scotland.

NORTHERN IRELAND—4.23-4.25 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.30 News and Weather for Northern Ireland.

ENGLAND—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
1.30 p.m. Cricket: Fifth Test, England v. The West Indies.
6.15 Open University.
7.30 News on 2.
7.45 Illusionists.
8.10 Festival 40: Mother Teresa of Calcutta.
9.00 Tuesday Cinema: "Bartleby," starring Paul Scofield.
10.15 Cricket: Fifth Test (highlights).
10.45 Newsnight.
11.00 U.S. PGA Golf.
11.40-11.45 Closedown: Patricia Terry reads "Losing and Finding," by Elizabeth Jennings.

LONDON

9.45 a.m. Sally and Jake. 10.00 Summer School. †11.00 The Saint. 11.50 Cartoon Time. 12.00 Paperplay. 12.10 p.m. Hickory House. 12.30 A Place in Europe. 1.00 First Report: News with Leonard Parkin plus FT index. 1.20 Lunchtime Today. 1.30 Marked Personal. 2.00 The Best of Good Afternoon. 2.25 Racing from York. 4.25 The Swiss Family Robinson. 4.50 Magpie. 5.20 Waterwise.
5.50 News from ITN.
6.00 Today.
6.40 Crossroads.
7.05 Husband of the Year '76.
7.35 Tuesday Film Premiere: "River of Gold," starring Ray Milland and Suzanne Pleshette.
9.00 Hunters Walk.
10.00 News at Ten.
†10.30 Command Performance: Ward Bond, Robert Horton in "Wagon Train—the honourable Don Charlie Story."
11.30 Oscar Peterson presents Count Basie, Joe Williams and Al Grey.
12.00 Special Branch.
12.55 a.m. Close: Tina Heath reads one of William Blake's "Songs of Innocence and of Experience."

All ITV Regions as London except at the following times:—

ANGLIA
[illegible]

ATV MIDLANDS
[illegible]

BORDER
[illegible]

CHANNEL
[illegible]

GRAMPIAN
[illegible]

GRANADA
[illegible]

HTV
[illegible]

SCOTTISH
[illegible]

SOUTHERN
[illegible]

TYNE TEES
[illegible]

ULSTER
[illegible]

WESTWARD
[illegible]

YORKSHIRE
[illegible]

RADIO 1 — 247m
(S) Stereophonic broadcast
[illegible]

RADIO 2 — 1,500m and VHF
[illegible]

RADIO 3 — 464m, Stereo & VHF
[illegible]

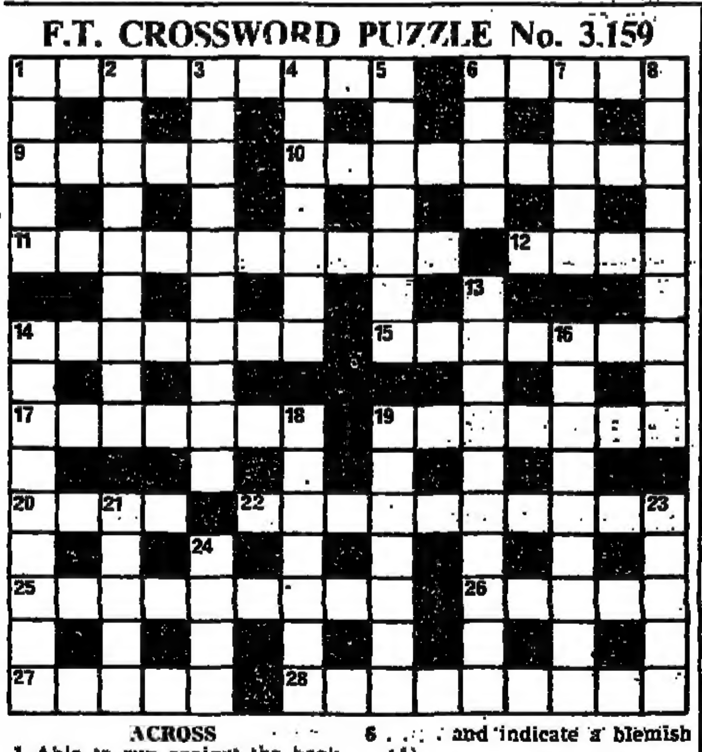
RADIO 4 — 434m, 330m, 285m and VHF
[illegible]

BBC Radio London — 206m and 94.9 VHF
[illegible]

London Broadcasting — 261m and 97.3 VHF
[illegible]

Capital Radio — 194m and 95.8 VHF
[illegible]

F.T. CROSSWORD PUZZLE No. 3,159



ACROSS
1 Able to run against the book (9)
6 Doctor and German make a pile (5)
9 In fraud I tried to check the books (5)
10 Agreeing to be harmonious (9)
11 An award for last month's speech . . . . (10)
12 . . . . he receives at elimination race (4)
14 The number one loves twice? (7)
15 Cloth to use for soft soap (7)
17 Effeminate fellow extracts money from work (4-3)
19 Goes back for profit (7)
20 Could it be my book? (4)
22 Taking distressed stranger to Sunday School is sin (10)
25 Engrave what is seen in T.V. meeting (9)
26 Attempt a test . . . . (5)
27 . . . . or a ditch on cricket field (5)
28 Willingness to allow a range of variation (9)

DOWN
1 Vegetable coming from orchard (5)
2 Curative it is claimed in mixture (9)
3 Undertaking to go in and force open (10)
4 Demanded and obtained correct edition (7)
5 Mark as present and reprimand . . . . (4, 3)
6 . . . . and indicate a blemish (4)
7 Join one going to the East (5)
8 Figure boxer's needing a drug (9)
13 Wheel round one gun for a chastiser (10)
14 Amateur takes thin cord to make harmless (9)
16 Scandinavian wearing no disguise? (9)
18 Continue obstinately, for each is, in a way (7)
19 Renovation which is authentic and fresh inside (7)
21 Bumped into a learner—it could be the road surface (5)
23 Settle and fish about five . . . . (5)
24 . . . . and fish about one, creating wear at the edge (4)

Solution to Puzzle No. 3,158

TICKET CHALICES
A A N O E R I
LAPUTA DOMINANT
K U O A T N C T
DOLOMITE ASHORE
O E B T A T W R
NITS NEEDLES
N S T M M R D F
DROPSIN TELL
P C I T R A T E
ARARAT NATURALS
T R N O L R I H
RAMSGATE FILLIP
O E L I G E O
NONSENSE PANDIT

ational Gallery

In Honour of Titian

by DENYS SUTTON, Editor of Apollo

Titian: Portrait of a Young Man (detail)

t is no longer possible to anise a great exhibition in our of a master such as ian: insurance costs are pro-itive and owners unwilling lend. The last "one man" w of his work was held in ice during the 1930s. The lition of devoting exhibitions the major painters of the etian school has continued n to our time and those who naged to see those of Bellini, polo, Lotto, Giorgione and polo should count their sings.

Nevertheless, various exhibi-s are being staged to com-morate the death of Titian ich took place in 1576. One the most interesting, which l break new ground, is that oted to drawings by or sciated with him, which will ly open at the Cini Founda- in Venice.

n the meantime, the National ery has arranged a small but ressive show of Titian as a rait painter. It is in line English tradition that this ne should have been selected. Charles Ricketts, painter and critic, maintained that Titian the finest portrait painter ll time. This was high praise n this experienced critic who te a book about the Prado, in this famous gallery the tionship between Titian and azquez becomes obvious; the niard owed much to his etian predecessor.

he exhibition at the National lery is based on its own group portraits, of which the most ortant is the famous Vendra- altarpiece, but it also in-les several items from private ections. In any event, enough n view to provide an idea of achievement of Titian as a trait artist: elsewhere in the ery major works by the artist, h as *Bacchus and Ariadne* and *Death of Actaeon*, are to be n.

itian, who has never lacked irers, not least in England, born between 1473 and 1482, even slightly later, and oyed a highly successful ecr. He did much to raise status of the artist and arles V created him Count atine and Knight of the lden Spur. The *Self-Portrait* (Berlin) tells us much about him: shrewd, tough about money but courtly in his manners, as Vasari recorded. He ensured that his fees were paid in the hardest currency available and even sus-pended the creative act until securing the sum required for a work in progress.

His versatility comes out in his portraits, in which, as Dela-croix observed, "eyes look and are animated by the fire of life." The magnificent Vendramin altarpiece shows his ability to paint Man at various stages: youth, middle age and old age are brilliantly rendered in this composition. Nothing perfunc-tory marks his painting of the boys: each has been given a different pose that relates some-thing about the lad's personality. The aim of the picture is no less admirably conveyed. It was painted not only as a com-memoration of an ancestor, Andrea Vendramin, having retrieved a reliquary of the Holy Cross from a Venetian canal, but in the hope that the Cross—a splendid passage of bravura painting—would continue to protect their commercial activities.

One of Titian's principal assets was his ability to execute work that met the desires of the rich and powerful, both as a painter of religious and mythological scenes, and as a portraitist. His portrait of Charles V (Prado) is a dramatic "propaganda" paint-ing and shows the sitter in a true imperial role. Cecil Gould points out in the booklet that accompanies the show that, more than any other painter, Titian "fashioned and perfected the aristocratic type of full-length portrait." One of the grandest of these is the Duke of Atri (Cassel) in which the dog (a foretaste of Velazquez) and the luscious landscape give added richness to the scene. Another is the three-quarter length of Federigo Gonzaga (Prado), which is interpreted as "the very picture of irresponsible charm and bland unreliability." Federigo is certainly charming but is he shown as irresponsible?

Although the National Gallery exhibition does not include a full-length of this type it con-tains such splendid works as the two portraits of young men, from the permanent collection and a private collection respec-tively. The second of these, the "Temple Newsham portrait," has a poetic quality that recalls Giorgione: the subtlety of mood is parelleled by that of a paint-ing of the hand holding a glove.

Titian was responsive to female beauty. *La Schiavona*, an early work, in the exhibition may not be to everyone's taste, but it is an admirably painted picture with fine colour. Far more enticing as women are *Laura dei Dianti* or the *Girl in a Fur Mantel* (Vienna), which explains Proust's words about a mistress being as beautiful as a Titian. His nudes have subtle erotic appeal and are ex-quisitely painted; however, a recent suggestion that they reveal Titian to have been a *voyeur* is surely going too far.

Dramatic incident appealed to Titain. This is true of both his early and later years as may be seen from the fresco, *The Jealous Husband*, of 1511, at Padua and *Tarquin and Lucrezia*, of about 1571, in Vienna. In his portraits, the dramatic note is more muted, but it may be dis-cerned in *Georges d'Armagnac and his Secretary* in the show; the latter's attitude to his em-ployer is not without ambiv-alence. Titian's observation of the human drama, or should one say, comedy is evident in the famous unfinished picture, *Paul III and his Nephews (Nipote)* (Naples) in which Ottavio Farnese is seen fawning on the Pope.

Titian's sharp eye for character was combined with a marvellous feeling for paint and for the nuances of tone. This patrician of paintings left a series of por-traits that remain in the mind as permanent images of some of the leading personalities of the High Renaissance.

vignon

Leningrad Maly Ballet

by DAVID VAUGHAN

It might be supposed that ere could be no greater con-st than that between Merce nningham and Dance Com-y and the Ballet of the Maly eatre in Leningrad, which formed within a few days of h other in the courtyard of Palais des Papes as the jor dance attractions of this nmer's Avignon Festival. Oleg iogradov, the 39-year-old ector of the Maly, stated at a ss conference that he "had understood a single thing" the Cunningham evening he attended. Yet to judge n Vinogradov's *Iaroslavna* 74) he may well be, in the text of contemporary Soviet et, as radical an innovator as nningham.

Like Yuri Grigorovich's *rtacus*, *Iaroslavna* deals with eroic subject mainly in terms mass effects, with a few ated individual figures. But re Vinogradov differs from orovich is in the nature and lity of the movement he has nted. Grigorovich uses a of debased, homogenised tic idiom, but, astonishingly, much of his ballet Vino-ov has put his dancers in feet or sneakers and wn out most of the academic bulary, replacing it by some- that looks very much like ern dance.

am not, of course, suggesting with one blow Vinogradov brought Soviet ballet into the quarter of the 20th century. of the movement for the le soloists is strikingly evoca- of Graham—which would at bring it up into, say, the '50s. Equally fascinating the many architectural pings that remind one istibly of Nijinska's *Les s*, which Vinogradov is un- to have seen, though he be familiar with the photo-s and Gontcharova's draw- On the other hand, he may ly have gone to similar es in Russian folk dance painting.

oslavna is not totally suc-cessful. The handling of the story, derived from the same anonymous 12th-century epic that inspired Borodin's *Prince Igor*, is perfunctory. A mysterious deci-sion was to cast women as the Polovtsian warriors, including their chief, Khan Kontchak. These are on point, and their choreography is significantly less interesting than that of Igor's followers. Even so, Vinogradov is clearly a real choreographer, one who thinks in terms of movement.

Not all of the Maly repertory is of an advanced nature. On its third evening in Avignon, they presented a choreographically corrupt and dramatically slip-shod version of *Giselle*. The com-pany, which had performed *Iaroslavna* with the ardent con-viction that it is one of the greatest gifts of Soviet dancers, proved to be less adequate to the technical demands of classical ballet. Ekaterina Maximova and Vladimir Vassiliev, guest artists from the Bolshoi, appeared in the principal roles; their dancing was more accomplished, if care-less, but their acting was mere attitudinising.

Maly means "small," and the company has made a speciality of reviving Petipa ballets suit-able for a stage at any rate smaller than the Kirov. Among them is the one-act *Halte de cavalerie* (1896), which shared the bill with *Giselle*. Any hopes one might have had of discover-ing a masterpiece of the calibre of *La Bayadère* were dashed by the reality. *Halte de cavalerie* is an innocuous little ballet bouffe, nothing more. The dancers looked a bit happier than in *Giselle*, performing the character dances with the proper panache. Ludmilla Filina, Piotr Roussa-nov, and the female corps de ballet showed a pleasing classic style—the soloists' numbers were obviously full of contemporary "improvements"; the ballabili, on the other hand, looked start-lingly like the Balanchine of ballets like *Donizetti Variations*, which suggests that they may well have been closer to Petipa's original.

Albert Hall/Radio 3

Falstaff

On Friday evening it was Scottish Opera's turn to present a production from its repertory at the Proms; the choice fell on Verdi's *Falstaff*, revived at Glasgow in Peter Ebert's staging earlier this year after a consider-able lapse of time. Since the opening night of the revival at the Theatre Royal last February, when it so happened that only two of the cast had ever sung his or her part before, the opera had been given a dozen or so performances in various cities of Scotland and Northern England; an interesting, sympathetic but slightly tentative account of Verdi's magnificent operatic swan-song had developed into an accomplished one. Balance was far from ideal in the Albert Hall, but the authority with which Alexander Gibson, the Scottish National Orchestra and a strong cast jointly approached the work was unmistakable.

Mr. Gibson took a robust view of the score. Sensitivity and refinement were there when required, in the love music for Nanetta and Fenton, for instance, or in the accompaniment to Mistress Quickly's narration, con-tinued by Alice, of the tale of Herne the Hunter, while the opening of the final scene in Windsor Park was magical in its delicacy; but the lusty Eliza-bethan burgesses were painted in bright, glowing colours well-adapted to a young, occasionally brash society. The SNO played with splendid vitality through-out, and the great orchestral trill as Falstaff dilutes the Thames water he has swallowed with hot wine had a precision, an energy, an excitement to warm the cockles of one's heart as potently as the wine warms Falstaff's belly.

Sesto Bruscantini, once a fine Ford, sang Falstaff. His fat knight, though resilient in adver-sity and without the faintest trace of self-pity, was a little sad, as if beneath the outward assurance there lurked a sus-picion that for Falstaff his greatest days were gone. Mr Bruscantini had benefited from the experience of further per-formances of the role—in Italy as well as with Scottish Opera—to deepen and expand his characterisation. He brought more humour to the part, more serenity, and, especially in the monologue "Mondo ladro, mondo rubaldo!" after Falstaff's ducking in the Thames, more bitterness.

But *Falstaff* is an ensemble opera, and Scottish Opera's per-formance impressed particularly by its high general standard. John Shaw has always found the role of Ford congenial; taking "E sogno? o realtà?" absolutely seriously, he worked up a passion of jealousy that was only funny because we, the audience, knew Ford's suspicions of his wife to be unfounded. Catherine Wilson's Alice, good-humoured, slightly bossy, in total command of the situation, was sung in tones rather light for the size of the hall, though Miss Wilson phrased her music with appropriate smoothness of line. Elizabeth Bainbridge's fruity but un-exaggerated Mistress Quickly was strongly projected in dramatic as well as vocal terms. Claire Livingstone made an unusually positive Meg. Glenys Fowles, charming if a trifle over-sophisticated as Nanetta, floated her fairy song on clear, pure timbre.

Richard Greager's high-spirited Fenton contrasted well with John Robertson's amusingly ineffective—the character, not the singer—Doctor Caius, while David Fieldsend and William McCue as Bardolph and Pistol combined to form an agreeable comic partnership. The Scottish Opera Chorus contributed faith-fully to the big ensembles, which were remarkable for clarity of texture.

ELIZABETH FORBES

Albert Hall/Radio 3

Scottish National

Iain Hamilton's *Aurora* was commissioned last year by the Scottish National, and Saturday's Prom broadcast suggested that they are pleased with the result. It is virtually a concerto for orchestra, gratefully scored and shapely, in the form of a con-tinuous nocturne, scherzo and final presto, progressing from dark to refulgent dawn. Its flavour is conservative Berg: plenty of tonal pedal-points, throbbing string accompani-ments, metrical regularity, much musical use of the top and bottom of the orchestral register. The felicities of the writing in-clude notably delicate textures and spacings, realised scrupu-lously under Alexander Gibson's baton, and a sequence of solo cadenzas in the manner of Rimsky's *Capriccio Espagnole*, but closer in feeling to the pre-war Bartok of the *Deux Images*.

If this extremely professional piece has a weakness, in fact, it is that the dramatic argument is not compelling enough to cover the musical echoes evoked by this page and that. (Britten is recalled in the scherzo, and later the swirling woodwinds from Maxwell Davies' *Second Taverner Fantasy* re-appear.) And yet the musical substance is personal and consistent; it drew confi-dently sympathetic playing from the orchestra, and at 12 minutes' length it comes nowhere near outstaying its welcome.

John Lill was the pianist in Beethoven's *Third Concerto*. It is not usually the BBC's way to give great artificial prominence to the soloist in a broadcast concerto, but on Saturday either they had changed their ways or Mr. Lill was playing very loudly indeed, loudly enough to conceal orchestral detail when he had a subsidiary role. One could hear that Gibson was, as always, accompanying with great tact. Lill's reading of the piece was strong and serious, classically stern and a touch unrelenting. Occasionally a virtuoso trait intruded: a tendency to rush the more brilliant passages, a near-brutal fortissimo attack. Re-peated notes too often sounded like notes merely repeated, with a curiously deadening effect on the Rondo (which is full of them). Beethoven's ironic *scherzando* does not come easily to Lill. But the Largo had real breadth, and his close grasp of the sense of Beethoven's modula-tions exposed the structure of the whole concerto faithfully.

DAVID MURRAY

Bayreuth Festival

Der Ring des Nibelungen—2

by RONALD CRICHTON

The second cycle of the centenary *Ring*, produced by Patrice Chéreau and conducted by Boulez, ended after *Götter-dämmerung* with an even more ferocious mixture of booing and counter-applause than on the previous evenings. Up to *Die Walküre* the audience made a distinction between applause for the singers and a furious recep-tion for conductor and producer—since Boulez and Chéreau did not appear singly (and showed commendable courage in appear-ing at all) the fury could hardly be apportioned. With *Siegfried* the booing began to spread to the singers. After *Götterdäm-merung*, the spectacle of human beings baying for blood was not pretty. There was cause for irritation, at least in those who want opera production to remain where it was 25 years ago, but not for such a prolonged, vicious display.

Patrice Chéreau, the young French producer chosen by Boulez for his *Ring*, made his name as co-director with Roger Planchon at Villeurbanne near Lyon at the *Théâtre National Populaire*. He has produced Rossini's *L'Italiana in Algeri* at Spoleto and Offenbach's *Les Contes d'Hoffmann* at the Paris Opera. To Wagner's *Ring* he brings an intelligence un-cluttered with operatic tradition (but possibly cluttered with equally dangerous cinematic and theatrical ideas). As might be expected, he has come up with some good ideas and some naive, silly ones. Much needs to be done before the next Festival, for example, to the still sketchy *Götterdämmerung*, before pro-duction or musical interpreta-tion can be fully and fairly estimated.

Wieland Wagner's motto might have been "When in doubt, leave it out." Those days are past: we are now in the age of cramming things in. Indus-trial junk, 19th century and modern, is everywhere in this *Ring*. The motley possessions in the Nibelung's hoard include an oil painting, presumably by A. Hitler; the gold is carried up in plastic bags unceremoniously shovelled over Freia. For the Ride of the Valkyries some placid roans appear, but are not ridden. Siegfried chases a very tolerable bear. Fafner as dragon is a large beast, the Woodbird has somehow found its way into a cage of willow, and is back there for the scene of Siegfried's death. Mime and Siegfried share a trench stuffed with household utensils used in a spirit of broad farce, brilliantly played, half Beckett, half Steptoe.

Since Chéreau holds that "In 1976 one can't believe in unspoiled nature," his Rhine-bed is a hydro-electric dam patrolled by three tarts (which at least makes Alberich's pursuit of them more credible than the usual pitiable expedients). By the end of the tetralogy the Rhine has dried up or run so low that the girls are gasping like stranded fish (an impression utterly at odds with the music), while Siegfried's funeral pyre is kindled, with real flames, in the river-bed—there is no water, to overflow. The Gods are cut down to size, though not so systematically as in Götz Friedrich's *Ring* at Covent Garden. Wotan is the techy, anxious, grumbling boss of a seedy group, Erda a little old dotty who in *Siegfried* appears swathed in a cocoon of white sheets, drugged with years of sleep.

In the sets by Richard Pedruzzi and costumes by Jacques Schmidt (both of them old associates of Chereau) the period of the first *Ring* performances a hundred years ago is jumbled with to-day. Fricka's gowns might have come from Cosima Wagner's wardrobe. The Rhinetarts wear crinolines over petticoats. Wotan, frock-coated and dressing-gowned, con-ducts a self-examination during his narration to Brünnhilde in a full-length looking-glass—at one moment he angrily tears off his eye-bandage. Later, to the audible relief of the audience, he exas-peratedly wrecks a giant pen-dulum which has been swinging at the front of the stage since the beginning of the act (Time is running out?). The Gibichungs wear modern clothes: Gunther goes boar-hunting in evening dress, Hagen in an office suit.

The French team, though instead of gauzes for Wagner's prescribed scene-changes they use a drop-curtain plopping down, are fond of making changes during an act. The walls of Hunding's sinister but well-appointed country villa, where he is waited on by thugs who lay the table with a white cloth and serve him supper on silver plate, are rent asunder for the coming of spring. Act two of Walküre opens, not implausibly, in a room in Valhalla furnished with the glass and pendulum already described. (The atmosphere in these interior scenes is a success-ful mixture of Max Ernst sur-realism and Visconti's film guignols.) Then we move to a forest clearing for the Annuncia-tion and the fight with Hunding. In *Siegfried* it is the wood that moves, with clumps of trees jittering distractingly to and fro. The technical resources of the Bayreuth stage are not over-strained during this *Ring* and do not function particularly well.

Unspoiled nature, so grandly painted in the score, is duly kept at arm's length. The open space across the gorge from Valhalla is a terrace-promenade stocked with the Gods' shabby furniture, ready for the move into a solid-looking Burg—an improvement in itself on recent efforts. Valkyries and Norns foregather in a graveyard (whose?), Brünnhilde's place of seclusion is a baby Matterhorn with whose hard lineaments the audience becomes intimately acquainted. The lighting by Manfred Voss is often effective in a harsh, cinematic way, but for long periods there is too much unrelieved grey. Boulez once declared "Schönberg is dead." Now he should persuade

René Kollo as Siegfried

his *Ring* team that Brecht is dead, too.

The strength of the produc-tion lies in the subtle portrayal of personal relationships and physical contact — aggressive, fatherly, sisterly, erotic. Sieg-mund and Sieglinde, Wotan and Siegmund (the father fondly em-bracing the son he has been forced to slay), Brünnhilde and Siegmund (the treatment of the Annunciation as original as it is successful), Mime and Siegfried Brünnhilde and Waltraute: all these encounters are usually illuminating. The awakening of Brünnhilde is exceptionally well handled, she wonderingly feeling the rocks about her, he dangling his legs over a precipice while gazing in open-mouthed astonish-ment at the fabulous creature he has discovered.

The Siegfried / Siegmund parallel is emphasised: both heroes receive a threefold coup-de-grâce from their killers, Hund-ing and Hagen (the villains are otherwise drawn in simple terms). Wotan, by obliging with a magic forge, gives Siegfried the help Fricka forced him to withhold from Siegmund. Chéreau is sold on Wagner's in-consistencies sometimes under-lining them to the point of damaging absurdity. In the Gibichung scenes, Gunther and Hagen fall into deliberately "operatic" poses, their modern dress clashing both with their movements and the "operatic" overtones of the music. Through the real inventiveness of the best of Chéreau's production there runs a thread of irresponsibility with regard to the music.

By the end of this *Ring*, Roberta Knie's Brünnhilde had won admiration for her thorough possession of the role, coloured with regret that the voice is not fully equal to her excellent intentions. René Kollo's young Siegfried was delightful both for his playing of the unruly, rumply boy and for his musical, well-schooled singing. As the hero in *Götterdämmerung* Jess Thomas, still in appearance more convinc-ing than most Siegfrieds, sang carefully. He was cruelly booed for dudging one or two high notes. Sotin's "Wanderer was more positive than his Wotans, but the gap between promise and achievement was still there. Bengt Rundgren, a fine, stolid bass, sang Fafner and Hunding. Jerker Arvidson's rapid vibrato suited Gunther's perplexities. the Gutrune of Irja Auroora was unremarkable.

The Alberich was once again the reliable Zoltan Kelemen, the Mime Heinz Zednik (the Loge of *Rheingold*) a gifted character singer inclined to press too hard on the tone. Erda in *Rheingold* was Hanna Schwarz, in *Siegfried* we heard Ortrun Wenkel, who did not altogether live up to her beautiful alto solo in *Parsifal*. Rhinemaidens, Valkyries and Norns were generally below London standards. And Boulez? Much of *Siegfried* danced and sparkled with the same sharp colour, élan and rhythmic vitality that he brought to *Rheingold*. For long stretches of these and intermittently in the others the conducting really meshed with the drama. Otherwise there was a musical commentary of varying interest, and somehow or other he contrived more than once to make the Bayreuth brass sound tinny. In *Götterdämmerung* the orchestra began to show signs of tiring. Still, one way and another, the centenary *Ring* is an adventure.

OVERSEAS NEWS

Yen gains 0.9% against dollar

By Charles Smith

TOKYO, August 16.

THE YEN appreciated by 0.9 per cent. against the dollar on the Tokyo foreign exchange market to-day, closing at a rate of $1 equals Y290 or the highest level for nearly 17 months.

The market was busy, with $185m. changing hands during the day (the highest turnover since late June). But the Bank of Japan evidently made little attempt to support the dollar at least until near the end of the day. This marks a sharp contrast with the bank's behaviour some four weeks ago when the dollar came under heavy pressure in Tokyo. On that occasion Bank of Japan dollar purchases over a three-day period were thought to have totalled between $300m. and $400m.

The underlying reason for the yen's strength is Japan's powerful export performance which has given it a visible trade surplus of some $3.8bn. during the first six months of the year. The July trade figures, due to be published to-morrow, will almost certainly show another impressive surplus. In the meantime, the performance of the dollar on the Tokyo foreign exchange market seems to have been influenced significantly by overseas buying of yen in foreign exchange markets such as London and New York.

Demand

The yen was in heavy demand in New York last Friday, closing at a rate of one dollar equals Yen290.60-290.80. This was nearly 2 yen per dollar below the rate of 292.60 at which the Tokyo market had closed earlier in the day. Japanese banks with branches in New York and London have been selling yen heavily in the past few days to meet demand from foreign buyers. This in turn has meant that the banks have acquired large quantities of dollars which have had to be unloaded in the Tokyo market.

A factor in the Bank of Japan's decision to stay out of the market during most of to-day could have been the implied warning issued last week by the U.S. Under-Secretary of the Treasury, Mr. Edwin Yeo, that the U.S. expects Japan to allow the yen to appreciate. Mr. Yeo avoided actually mentioning either Japan or the yen during most of his public statements on currency problems during a three-day visit to Tokyo but he said repeatedly that nations with strong currencies should not attempt to depress their exchange rates artificially.

In the light of Mr. Yeo's message BOJ evidently decided to-day that it would be unwise to do anything to prevent the yen reaching the 290 level. It remains to be seen whether the Bank will attempt to control the market if the rate threatens to go below 290 to-morrow or subsequently. Some Japanese exporters have taken the view profits on their export operations will be squeezed if the rate goes below 290. But the Bank of Japan may be in no position to impose a 290 rate in Tokyo if the foreign exchange markets in London and New York are quoting rates of 289 or lower.

ON OTHER PAGES

Australia's shipbuilding industry 'in jeopardy'

BY KENNETH RANDALL

CANBERRA, August 16.

WITH A new session of Parliament opening to-morrow, the Australian Government finds itself in the midst of a bitter controversy over a decision which, it is claimed, will mean the destruction of the Australian ship-building industry.

The Government has decided to allow its Australian National Line (ANL) and the Broken Hill Proprietory Company (BHP) to buy a total of six new ships from foreign suppliers instead of Australian shipyards, and it has scrapped plans to join with the State Government of New South Wales in a $A70m. ship repair project to give new life to the NSW State dockyard at Newcastle, north of Sydney.

About 5,000 jobs are directly at stake at the Newcastle State dockyard and BHP's Whyalla shipyard in South Australia, although the demise of the industry would have considerably wider effects in both cities.

Australian-built ships currently attract a Government subsidy of 35 per cent. and if, given a reasonable chance to tender, the local yards can match overseas competitors with this advantage, existing policy says they must get the order. The policy is enforced by the simple device of refusing import approval in such circumstances.

However, according to the Transport Minister, Mr. Peter Nixon, the local yards would need to subsidy rate of 55 per cent. to match foreign competition, on the evidence of their recent performance.

Mr. Nixon said that subsidy payments in 1975-76 amounted to $A42m., equivalent to more than about $9,000 a year for each shipbuilding employee at Newcastle and Whyalla. To make the Australian shipyard "competitive" with overseas suppliers would require a subsidy equivalent to about $A13,000 a year per employee.

"We have reached the situation," said the Minister, "that in order to attract orders to Australian yards it would cost more in subsidy payments alone than the full cost of having ships built overseas.

"The simple fact is that ANL can buy the ships overseas for approximately $A9.5m. each whereas it would cost over $A20m. each, before subsidy, to build them in Australia."

Order

On that basis, the ANL has been authorised by the Government—its sole shareholder—to place an order overseas for four bulk carriers of 15,000 deadweight tonnes each to replace existing coastal vessels which are nearing the end of their useful life.

Mr. Nixon said a similar situation existed for "several" other ships whose intending operators would also be free to look to overseas sources "if they wish." Two ships for BHP are among them.

On the plans for a graving dock and other ships repair facilities at Newcastle, the Government says that estimated costs, on 1975 prices, have risen to almost $A70m. from the 1974 estimate of $A33m.

"An investment of this magnitude could not be justified on economic grounds, particularly in the light of reduced defence demands on existent dry-docking facilities on the East Coast," the announcement said.

Despite the economic logic of the Government's position, the outcry was hardly surprising at a time of unemployment unprecedented since the height of the depression—5.2 per cent. in seasonal terms, with 43 per cent. of it concentrated in N.S.W.

The chairman of the Australian Shipbuilders' Association, Mr. Ian Butler, said to-day the industry was stunned by the decisions which meant ruin for itself and many small business suppliers.

Reaction to the decisions is overwhelmingly hostile in both States but it would involve an enormous loss of face for the Federal Liberal-Country Party Government to back down now. Furthermore, it has found vocal minority support from the rural lobbies whose main concern is for freight rates.

The NSW Premier, Mr. Neville Wran, to-night proposed the construction of a $A30m. floating dock at Newcastle to take up some of the workers likely to be displaced from the State dockyard, and this could be the way to some sort of compromise, albeit heavily weighted in the Federal Government's direction.

Economics stressed at Colombo

BY ROBERT GRAHAM

COLOMBO, August 16.

IN A KEYNOTE speech inaugurating the Heads of State meeting at the fifth non-aligned summit, Sri Lanka Prime Minister Mrs. Sirimavo Bandaranaike called for greater emphasis on economic issues by member-countries.

Emphasis on the resolution of developing countries' economic problems has become the theme for this conference.

Mrs. Bandaranaike said: "The non-aligned community has certainly reached the stage at which it ought to concentrate, more than ever before, on lending economic substance to its political victories." The emphasis of the movement has traditionally been political, and until now it has been primarily concerned with supporting moves to end the colonisation process through political backing for liberation and independence movements.

But, with the decolonisation process almost complete, following Portugal's handing over of its African colonies, the movement is now looking for a new direction.

Mrs. Bandaranaike, speaking before what must be the largest gathering of heads of state ever held in Asia, insisted that politics were sterile if they did not lead to "economic hope and betterment, and in the ultimate, to true economic independence."

To achieve this she said it was essential to have greater solidarity among developing countries—another constant theme of the conference.

Referring to negotiating a New Economic Order with the industrialised countries, she said the search for a more equitable relationship was "global, and its emphasis on co-operation." Then she added significantly: "Confrontation is a negative concept" out of keeping with the principles of non-alignment.

While underlining the need for dialogue with the industrialised countries, she warned that co-operation would not work unless there was a "due recognition of the urgency scale and importance of the problem."

The conference countries are fighting what they see as a new form of imperialism — supranational corporations, consumer protectionism, the power of the industrialised countries within the IMF and in international banking institutions to control the flow of funds, and the restriction of technology.

This too was a strong theme in Mrs. Bandaranaike's speech and is also reflected in various aspects of the draft economic declaration being prepared to come to terms with this new form of "imperialism." Mrs. Bandaranaike urged greater self reliance and the creation of more producers' commodity associations — on, for instance, copper, bauxite and uranium—to follow OPEC's example.

These new producer associations, Mrs. Bandaranaike said, would help to be effective "countervailing weapons" along with the establishment of a Third World currency, further, perhaps more as a measure of Third World frustration than practicality, she suggested the creation of a commercial bank "The Bank of Asia, Africa and Latin America." This would not be a solidarity fund but a genuine commercial bank and "truly multinational enterprise."

Reuter adds from Nairobi: Ugandan President Idi Amin has announced he cannot attend the summit beause of circumstances beyond his control, according to Uganda Radio to-day.

Intense disagreement on Spanish Sahara issue

BY OUR OWN CORRESPONDENT

COLOMBO, August 16.

ATTEMPTS to produce a common stand on the question of the future of the Spanish Sahara has created deep divisions here at the fifth non-aligned summit.

The issue is proving so divisive that conference sources say it is likely to be side-stepped.

The basic argument centres round whether the conference should endorse the current moves by Mauritania and Morocco to control the territory or to support the Algerian-backed Polisario Liberation Movement which would establish an independent sovereign state.

Within the Arab League there is a majority favouring Mauritania and Morocco. Indeed, Algeria is reported to be extremely disenchanted by the Arab League's stand with support for it only coming from Iraq, Libya and Somalia.

Yet despite this, Arab League support here in inter Arab discussions, there is a sizeable following for Algeria and Polisario among the non-aligned countries represented.

The Arab League by discussion among its members here had apparently hoped to bury the issue so that there would be no open discussion. But Angola, Dahomey and Mozambique insisted on raising the matter of support for Polisario and included a call for its support in the general declaration of principles preceding the political declaration, which the conference will approve.

Mauritania was so incensed, according to one reliable source, that its delegate in the drafting committee insulted the outgoing non-aligned President—President Houari Boumedienne of Algeria—accusing him of expansionism.

The Moroccan delegates then stepped into the attack, but the Moroccan delegation was reportedly divided among itself and there was a shouting match among three members of its delegation.

Palestinians prepare for 'very long battle'

BY IHSAN HIJAZI

BEIRUT, August 16.

A PROMINENT guerilla leader has predicted a "very, very long battle in Lebanon."

Mr. Salah Khalaf, better known as Abu Iyad, who is the second-in-command in the guerilla movement after Mr. Yasir Arafat, told a public rally here yesterday that "there is no room in our ranks for those who want to cut the time short."

The speech coincided with the intensification of fighting on all fronts in the past 24 hours and in wake of the occupation by Right-wing forces of the Palestinian camp of Tel al Zaatar.

Artillery duels gained momentum in the eastern mountains especially around the towns of Al Metein and Aintourah about 30 miles east of here amid reports that both the Right Palestinians and the Left are preparing for a major battle there.

The Right were reported to have massed a force of 4,000 men, tanks and armoured cars.

According to reports in the left-wing Press to-day, a unit of the Palestine Liberation Army in that area has fortified its positions and helped left-wing militiamen strengthen the defences of the village of Salima, which lies on the dividing line between Christian-controlled and Palestinian-held lines. Salima is also crucial in maintaining the supply line for the Palestinians and the Left.

It is linked with the mountain resort of Bahamdoun on the main Beirut-Damascus highway. The resort, however, is threatened by Syrian troops which are stationed at Sofar only three miles up the road. In fact, a left-wing radio station said the Syrians have begun to move to cut off the Palestinian-Left supply route.

According to right-wing and left-wing sources, Syrian troops this afternoon entered the town of Hammanah, which was interpreted as a Syrian attempt to put pressure on the Palestinians to withdraw from Aintourah and Al Metein.

Mr. Abu Iyad held the Syrians responsible for the fall of Tel al Zaatar, and added that as long as the Syrian forces are in Lebanon right-wing forces will continue to score victories.

He did not rule out the possibility of the fall of Aintourah and Al Metein, but said this will not affect the position of the Palestinian revolution. He accused unnamed Arab oil states of financing the Syrian campaign.

A group of Lebanese Christian bankers has suggested that the Central Bank, located in Beirut's Moslem sector, open a branch on the Christian side, a step which would further solidify the division of Lebanon. AP-DJ reports from Beirut. The bankers asked that the branch be set up in Jounieh, "capital" of the 800-square-mile Christian enclave to support private banks operating in the enclave.

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EUROPEAN NEWS

Danes plan urgent programme of cuts

By Hilary Barnes

COPENHAGEN, August 16.

THE SOCIAL Democratic minority Government to-day decided to recall the Folketing from its summer holiday to-morrow to rush through a programme of measures to cut consumer demand and public spending, and to limit income growth in 1977 and 1978 to 6 per cent. a year.

There will also be a dividend freeze and present price and profit controls will continue.

But the Government is assured of support of only 80 votes, 10 fewer than a majority. It survival will depend on how the Liberals, the largest opposition party, decide to vote.

The measures are intended to reduce the Kr.12bn. budget deficit and the current balance of payments deficit which soared to Kr.5.8bn. in the first half of this year, exceeding the previous record annual deficit of Kr.5.7bn. in 1974.

Extra taxes are expected on alcohol, tobacco, petrol and road vehicles. Some reports say there will also be new taxes on energy, sugar, tea and coffee. The indirect tax increases will total Kr.5bn., equal to 4 per cent. of total private consumption expenditure last year.

The public spending cuts will come to Kr.5bn. over two years, compared with budget expenditure this year of about Kr.78bn. But this will be offset by income-tax concessions of Kr.1.5bn. a year and increases in spending to promote industry and employment.

An official source said that the fiscal squeeze would probably total Kr.2-Kr.3bn., equivalent to about 1-1½ per cent. of gross domestic product.

The Government estimates that the measures will reduce the current balance of payments deficit from Kr.8bn. to Kr.9bn. to about Kr.5bn. in 1978.

Prime Minister Anker Joergensen said the incomes policy element is the most important feature of the programme. This allows for a total annual rise in wage and other incomes of 6 per cent., including 2 per cent. a year negotiated between the unions and the employers, and about 3 per cent. in automatic price-linked escalator increases.

Seveso sounds safety warning

By Fay Gjester

OSLO, August 16.

A FOUR-DAY international conference on industrial health and safety problems, attended by scientists and doctors as well as some 200 trade union delegates, opened here this morning.

Arranged by the International Metalworkers Federation and hosted by Norway's powerful Iron and Metalworkers Union, its main aim is to define the most pressing problems in the field, and to discuss how unions can co-operate internationally to secure solutions.

If unions do not demand international standards, conference sources point out, the multi-nationals will just go on moving their "dirtiest" production to under-developed countries where worker protection laws are inadequate or non-existent.

The tragedy at Seveso in Italy had "sounded an alarm," Norwegian union leader Lars Skytoen told the conference.

Bonn confirms arrests in Nato aircraft spy case

BY NICHOLAS COLCHESTER

BONN, August 16

THE WEST German Federal Prosecutor's Office to-day confirmed that two men have been arrested under suspicion of intending to sell extensive plans of the Anglo-German-Italian Tornado multi-role combat aircraft (MRCA) to the Soviet bloc.

According to the office, a 32-year-old Belgian, Mr. Valerian Kuzniak, was arrested while handing over a suitcase full of MRCA plans to a third party. For this and other material, the intelligence service of an East European country is said to have offered Mr. Kuzniak DM20m.

His arrest led to that of a German, Mr. Manfred Knuefelmann (36), under suspicion of having co-operated with Mr. Kuzniak in arranging to sell material on the Tornado to a Comecon trading organisation.

The West German newspaper, Die Welt, published the story this morning, much to the annoyance of the Prosecutor's Office which said it would hinder efforts to trace the information back to its source. Both Der Spiegel, a West German news magazine, and Die Welt had known about the arrests for some time.

According to Die Welt, the Tornado plans came from the computer centre of Messerschmitt-Boelkow-Blohm, the Munich aerospace company which is the major West German contractor in the three-nation project. MBB had no comment to make to-day beyond pointing out that neither of the arrested men had anything to do with the company.

The Tornado is the largest and most important co-operative weapons project in Europe to-day. The three producing countries have ordered 809 aircraft at a total price, without spares and ancillary equipment, of about £5bn. With 500 companies and some 70,000 people working on the project in three countries, and with three Governments monitoring the cost of aircraft and its performance its test phase, it was clear f the start that security would a hydra-headed monster.

The security question ga piquancy earlier this year w there were mounting fears Italy might elect Commu into Government and thus p its role in Nato and in this m Nato weapons project into de Government officials were to console themselves prov with the assertion that litt the MRCA's technology, with exception of the avionics, c he called really sensitive i mation.

Swiss espionage charge

BY JOHN WICKS

ZURICH, August

THE SWISS Federal Public Prosecutor has announced the arrest on the suspicion of espionage for the Soviet Union of Mr. Jean-Louis Jeanmaire, a former instruction officer and Brigadier in charge of the country's air defence force. Mr. Jeanmaire (66), who is retired, is alleged to have passed military information and documents to members of the Soviet embassy in Berne.

Should this charge be ceeded with, Mr. Jeanm would be the first high-ran officer in the Swiss army to the extraordinary court-m prescribed for such cases.

The Swiss Defence Mi said this afternoon that, i interest of the further pro ings, no further details w be given at this stage.

West German 5-6% growth ai

BY OUR OWN CORRESPONDENT

BONN, August

REAL GROWTH in the West German economy in 1977 should be between 5 and 6 per cent. after 6 per cent. in the current year, says the Bonn Economics Ministry to-day in a compact and unequivocal statement about the development of the economy. Yet it concedes that measures to counter structural unemployment in West Germany may be necessary.

Meanwhile, the latest opinion poll of the Wickert Institute recorded a movement in favour of the existing Government as the general election approaches. Support for the conservative Opposition was 47 per cent., while 44 per cent. said they would vote for the Social Democrat Party of Chancellor Helmut Schmidt and 7 per cent. for the Free Democrats of Foreign Minister Hans-Dietrich Genscher. A month ago, the choices ran 49 per cent., 42 per cent. and 7 per cent.

In what appears to be a definitive pre-election campaign statement, the Economics Ministry states that the weakening in economic growth that has been evident of late should not be mistaken for "signs of tiredness." While conceding that the prime generator of growth over the rest of this year will be export demand, the Ministry also thinks that the German upswing has now built up enough internal momentum to carry growth through into 1977.

The weakest point in the Ministry's stock taking concerns the labour market where there has been scarcely any improvement in the unemployment situation in the summer months. It admits that measures may be necessary to tackle structural unemployment—for instance by stimulating labour mobility, and by encouraging people to get out of threatened trades.

Guy Hawtin writes from Frankfurt: West Germany's mechanical engineering industry is still awaiting recovery at home. A substantial improvement overseas in the first half of the year has been offset by a considerable fall in domestic bookings, compared with last year's performance.

Dr. Justus Fuerstenau, general manager of the West German Mechanical Engineering Association, said in an interview with the business daily Handelsblatt to-day that the industry was hoping for an upturn in the second half of the year.

However, he said, "At p we feel very uncertain the developments of the few months, and our ex tions for the foreseeable are limited. We cannot talk about a meaningful provement in investment o part of our domestic custo

Dr Fuerstenau was no tirely pessimistic, but he that in the first half of the orders in real terms had back by 6 per cent. com with the performance i same half of 1975. This entirely the result of a 2 cent. fall in domestic p Overseas bookings had by 10 per cent. over the period.

Thanks to the size o current order book, the of production over the firs had increased by 4.8 per At the same time prices moved upwards by only 4 cent. compared with an a 6.1 per cent. increase in the of imported machinery

The strength of export had surprised the expert said. Overseas sales in th half rose by 7 per cent. to on DM25bn. (£5.49bn.). individual orders had play important role in this.

Poland rations sugar after panic buyi

BY DAVID LASCELLES

POLAND yesterday introduced sugar rationing to steam a tide of panic buying which has made sugar virtually unobtainable over the last month.

By issuing coupons, the Government has limited sugar purchases to 2kg (4 lbs 6 oz) per person a month at the subsidised price of 10.5 zlotys (18p) a kilo. Unsubsidised sugar will still be available at 26 zlotys (45p) a kilo without coupons. There is no time limit to the rationing, but Polish officials say they hope to end it soon, once the market gets back to normal.

The move follows persistent rumours of a sugar shortage and price rises which prompted housewives to queue daily for several hours. Many shops reported a whole week's delivery sold in half a day.

In an initial move to quell these rumours earlier this month the Government published figures to show that sugar was available in similar volumes to last year. But this attempt to deal openly with the consumer had little effect.

Polish leaders then met the trade unions and, at the end of last week, announced the intention to introduce rationing.

The monthly ration is in line with average sugar consumption and should cause little or no hardship to most people, though with the fruit-bottling and jam-making season imminent demand will be above normal. were no reports of popula satisfaction from Warsaw y day.

Judging by the Governm figures and overall sugar su in Europe, it was not a ge shortage that prompted panic buying. The world of sugar recently dropped sl with the prospect of a good beet harvest.

A more likely reason h tinuing and acute uncer about the Polish Governm plans for consumer goods, f ing its disastrous attem June to raise food prices. likelihood of a run on commodities, as rumours hold, must be strong.

FIRST IMPRESSIONS OF MOSCOW

Beyond the looking glass

BY DAVID SATTER, MOSCOW CORRESPONDENT

ON A summer afternoon, Moscow from the Lenin Hills is a vast city of wide avenues and brownish yellow apartment blocks, criss-crossed by greenbelts of forests and parks. A meandering river divides it, lined by factories pouring smoke into a hazy sky and dotted by ancient churches with golden cupolas.

The city spreads out for miles, powerful, busy, like any other major capital. It is only down below, on crowded streets full of bare shops and Communist slogans, that it is different.

Few, if any, cities can compete with Moscow in the style of its public pronouncements or the omnipresence of the police. Rooftop signs and placards extol comradeship, brotherhood and freedom. Posters on street corners call for an end to the arms race.

Even so, it is not Moscow's progressivism that strikes one so much as that for the capital of a "peace-loving" society, it is unusually tightly controlled. Militia men are a common sight on the streets or in cars, traffic police are posted at virtually every intersection and armed guards stand watch 24 hours a day at the entrances to every one of Moscow's embassies and foreign "ghettos." Sometimes it seems that the city exists simultaneously on two different levels, propaganda and reality, with a continual effort being made to convince people that the first is the truth.

To help propaganda along, ordinary Russians are cut off from outside sources of information and from foreigners, who live, shop, and work in special facilities. The guards at the embassies and foreign ghettos give a friendly salute to foreigners they recognise. But if an unauthorised Russian approaches, they become sneering and, if the Russian has the nerve to try to get past, rough.

After a few weeks in Moscow, the new arrival begins to realise that he is living in an unreal world where there is little connection between what he is being told and what he knows to be true. Because of the control over information, what is obviously black can frequently be referred to as white.

> Signs in restaurants announce that Thursday is "fish day," not because of a nationwide meat shortage but to "balance people's diets."

Examples are everywhere. Although Soviet citizens will feel its effects for years to come, the 1975 harvest failure is always referred to obliquely in public and attributed exclusively to unfavourable weather conditions. Signs in restaurants announce that Thursday is "fish day," not because of a nationwide meat shortage but to "balance people's diets."

Three middle-aged American correspondents are not only denounced as CIA agents and described for good measure as men whose adventures resemble those of "James Bond." The attempt to construct reality is also extended to Soviet history, which is presented as a series of triumphs with little mention of its darker side.

Few foreigners realise how much attention is still devoted in the Soviet Union to the last war. It is a favourite subject of newspaper articles, television programmes and films. Posters printed last year to commemorate the 30th anniversary of the victory hang in people's offices and flats, young men wear commemorative medals and people buy cups with 30th anniversary of the victory insignias.

There are human reminders of the war too, an entire generation of widows. They are a familiar sight in Moscow checking coats in restaurants, working as attendants in hotels or offices or sweeping the streets with twig brooms near the Kremlin Wall. They can be officious busybodies or sweet and kindhearted but somehow the sight of them lends a certain credence to the Russians' oft-repeated desire for peace.

On the other hand, there is not a word about the millions who died in Stalin's purges and labour camps. Most of the old Bolsheviks put to death by Stalin remain non-persons in the country they helped found, and no guide is likely to point out "Solzhenitsyn Square," on busy Leninsky Prospect, where the now exiled writer worked as a prison labourer on a construction site, or the large grey house opposite the Kremlin members of the Soviet elite a privileged existence unt fury of the purges in the 1930s.

Reality is distorted in Soviet Union. But the ta disentangling Soviet reality Soviet propaganda, filling spaces deliberately left bla all the more difficult becau Soviets occasionally succee concentrating enormous and talent in a specific are injecting some truth into propaganda-coated world.

The Soviet Union is a country with a standard of far below that of the West the Soviets successfully lau two cosmonauts into outer who may set a new endu record. This achievement pressed people everywhere nowhere more than in Mo itself because while the cosmonauts were making a feet link-up at the Salyut 5 station, Soviets here on were getting stuck in lifts taking months to complete simplest job.

Maybe it is all an attem convince the world that S society is capable of achie the ambitious goals it has itself. But most Soviet citi react to propaganda by shu it out or simply distrusting sources of inform Foreigners have Western sou of information. But even they affected by a society that to create its own reality. people speak of going to or ing from a country but foreig in Moscow always refer arriving in the Soviet Unio "coming in" and leaving "going out."

هكذا من الأصل

AMERICAN NEWS

Banks report big increase in U.S. lending abroad

BY DAVID BUCHAN WASHINGTON, August 16.

U.S. BANKS reported another large increase in lending abroad in the second quarter of this year, the Commerce Department said to-day. U.S. loans abroad totalled $4.4bn., compared with $3.7bn. in the first, which officials said reflected relatively slack loan demand at home.

But U.S. purchases of foreign securities totalled $1.4bn. from April to June compared with $1.5bn. in the previous three months, while new foreign bond issues in the U.S. were also down by $1.2bn. in the second quarter at $1.6bn. A decline in the new Canadian issues accounted for most of the slowdown, and flotations by West Europeans in the U.S. also increased less than in the first quarter.

On the other side of the ledger, the flow of funds from foreign official agencies into the U.S. increased $3.6bn. in the April-June period, compared with $2.4bn. in the previous three months. The inflow was from both the OPEC and non-oil producing developing countries. But the official assets of industrial countries declined, as dollar sales, by countries like France and the Netherlands in particular, trying to prop up their currencies, outweighed dollar purchases by other countries—mainly Japan and Switzerland—trying to do the opposite.

However, net foreign purchases of U.S. securities dropped to $0.4bn. in the second quarter—a decline which officials attributed to the ups and downs and uncertainties in the U.S. stock markets in the April-June period.

Andean Pact eases foreign capital rules

BOGOTA, August 16.

IN AN EFFORT to prevent Chile's defection, the Andean Pact members accepted on Sunday major reforms for a more liberal treatment of foreign capital in the region.

However, the three-day Ministerial meeting here warned Chile that other demands it had made should be withdraw if it wants to remain within the six-nation regional common market.

With its first major crisis since it was founded seven years ago, the Andean Pact appeared on the brink of rupture last week when Chile refrained from signing a protocol which extended for two more years the enforcement of common legislation on tariffs and localisaiton of industries in the area.

Chile had said it was not signing the protocol because it first wanted the controversial Statute of foreign investment to be liberalised. A 60-day deadline was accorded to Chile for signing the document and its five partners in the Pact met in Bogota to adopt a common stance against the Chilean demands.

The "Sochagota Declaration" signed on Sunday night at a resort hotel 150 miles north of Bogota by Bolivia, Colombia, Equador, Peru' and Venezuela, warned Chile that "decisions are the result of a common will ..." within the Pact, and that any type of unilateral expression which might seriously threaten the survival of the regional common market should be averted.

It remains to be seen whether Chile will find the reforms adopted at the meeting acceptable. The concessions to Chile included:

● An increase from 14 to 20 per cent. for the profit margin to be sent back home yearly by foreign companies operating in the region.

● Capital from member countries of the Pact will be treated as national investment within the entire region.

● Investments by international finance organisations would be considered as "neutral capital" with no restrictive legislation.

● Foreign companies would be allowed to increase from 5 to 7 per cent. their yearly reinvestments in countries in which they operate.

AP-DJ

Argentine incentives

BY ROBERT LINDLEY BUENOS AIRES, August 16.

ARGENTINA'S new foreign investment law announced over the week-end, although it does not create special incentives for an influx of capital from abroad, does guarantee that foreign investment in business or in the expansion of existing installations will have the same benefits and obligations as local capital.

In this, the new law is an immense improvement on the one passed by Congress in 1973, shortly after the Peronists took over the Government. That law, with its multiple restrictions, in effect frightened foreign investment away from Argentina.

The new law, announced when the military regime here is not quite five months old, stipulates that foreign companies will be allowed freedom of action.

In allowing foreign businesses to remit abroad after being three years in the country, the new law reverses rulings of previous Governments. Although it much reduces the areas banned to foreign investment, specific Government authorisation is still needed for foreign investment in defence and security areas, public services, radio and television stations, newspapers, magazines, publishing companies, power supply, education, banks, and insurance and finance companies.

Special authorisation also is needed for an investment which involves the takeover of a local company. But no authorisation is needed when the investment is less than $5m., when it is a case of re-investment or when the investment is less than 10 per cent. of the overall foreign capital already invested.

A government decree is needed to stop the transfer of profits or the repatriation of an investment, which can be done three days after the investment enters the country. Foreign businesses may apply for local short-term credits, and, in exceptional cases, when "the national interest makes it advisable," the Government will authorise medium- and long-term loans to foreign investors.

Carter slips in the polls

The Carter campaign's expectation of slipping in the national opinion polls has been confirmed by the latest Gallup survey, which has the Democratic nominee down six points when matched against President Ford, who shows a four point gain, our Washington Staff write. In a sampling conducted among American voters from August 6-9, Mr. Carter still held a commanding lead against the President with 56 per cent. against 43 per cent. for Mr. Ford and 11 per cent. undecided.

When pitted against former Governor Ronald Reagan, Mr. Carter retains a more than two to one lead with 61 per cent. preferring his candidacy, 28 per cent. for Mr. Reagan and 11 per cent. undecided. The poll shows a three point decline, however, for Mr. Carter against Mr. Reagan with the Republican candidate registering a gain of one per cent. The Carter organisation, with an eye on past trends, particularly the Kennedy-Nixon race in 1960, had predicted that the nominee would emerge from the Democratic convention well up in the polls with a decline expected after the Republican convention. Although the decline has begun before expected, Carter officials were also surprised by the large gap shown earlier, when he led President Ford by more than 2-1 at the end of July.

Commonwealth request to UN

The Commonwealth countries have asked the UN General Assembly to grant observer status at the UN to the Commonwealth Secretariat, a UN document said yesterday, UPI reports.

Ambassador Paulias Matane of Papua New Guinea, chairman of the group of 36 Commonwealth countries during the month of August, submitted a letter asking that the request be included in the agenda of the 31st session of the Assembly. The session opens on September 21.

Ford signs oil Bill

President Ford has signed legislation that decontrols the price of oil from low-producing wells, sets up new energy-conservation programmes and extends the life of the Federal Energy Administration until December 31, 1977, AP-DJ reports from Washington. Oil from wells producing less than 10 barrels a day, which account for about 12 per cent. of U.S. oil output, may rise from the controlled price of $11.63 a barrel to the import level of more than $13 a barrel.

Echeverria farewell

More than 25,000 residents gathered in Tijuana during the week-end in an emotional farewell rally for outgoing Mexican President Luis Echeverria, UPI reports. Sr. Echeverria was responsible for securing the massive financial commitment to get a $100m. Tijuana urban renewal package passed, the biggest urban renewal project in Latin America.

Strike settled

Copeland Corp. has said that striking members of the International Union of Electrical Radio and Machine Workers have voted to ratify a three-year agreement reached on Friday by Copeland and the union's bargaining team, AP-DJ reports from Sydney, Ohio. About 3,100 employees were affected by the two-month strike which stopped production at the three Copeland plants. Production is scheduled to resume immediately, Copeland added. Terms of the settlement were not disclosed.

Dow plan blocked

The Bay Area Pollution Control District has formally refused to give Dow Chemical authority to build a $50m. styrene facility near San Francisco, which it isaid would interfere with air quality goals, Reuter reports. The facility was to be the first unit of a proposed $500m. petrochemical complex by Dow, and was designed to convert naphtha into materials for manufacture of plastic products.

Millionairess dies

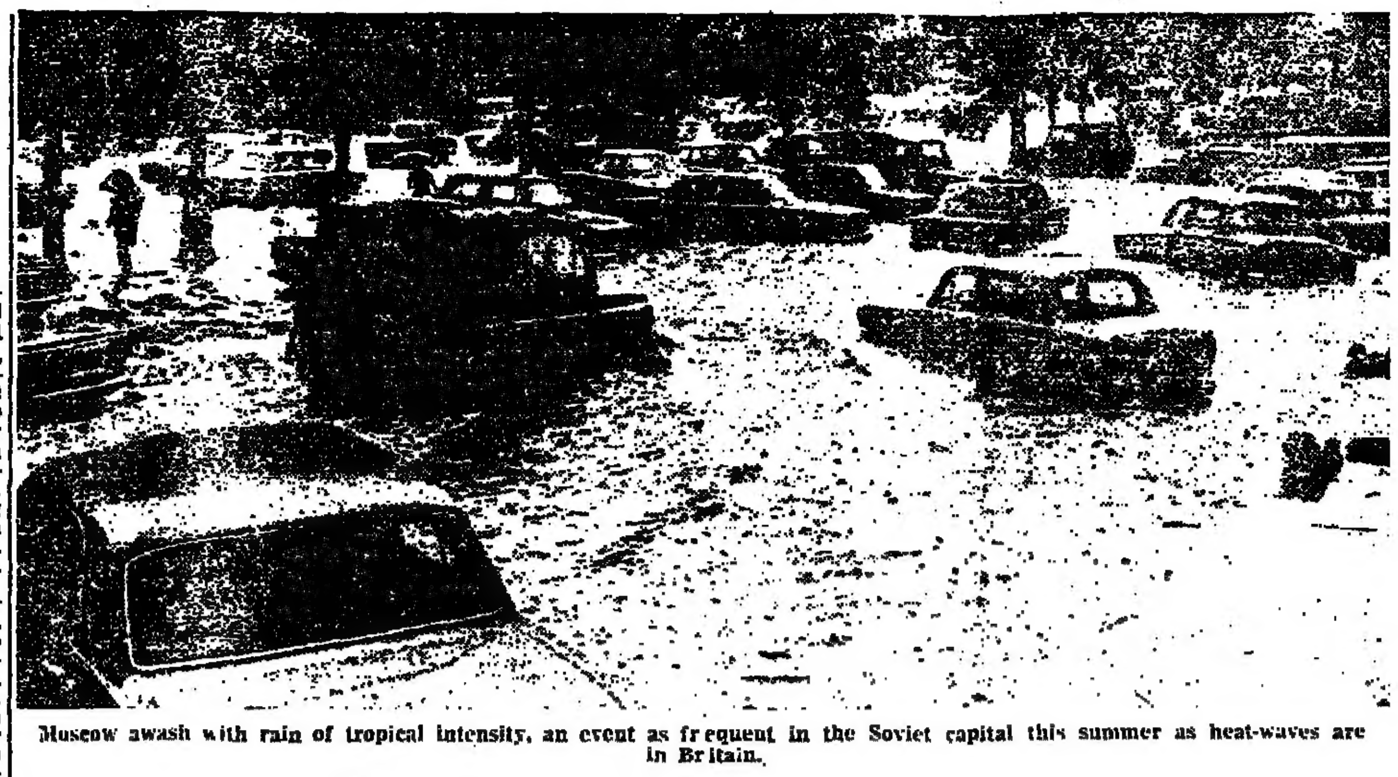
Mrs. Violet Mary Scully (73), trustee of a 125-year-old Illinois farm estate worth more than $100m., died of an apparent heart attack in Cannes, France, last week, UPI reports from Lincoln, Illinois. The director of the Scully estate farm management, Mr. James Stewart, of the First National Bank of Lincoln, said her two sons, both large-scale farmers, would become the trustees to the huge estate which once totalled 200,000 acres in four Midwestern states. Mr. Scully said the estate was now divided into several trusts which included 44,000 acres around Lincoln, some of the richest farmland in Illinois.

Crewmen go home

Twenty Chinese crewmen who claimed they were mistreated by the captain of a British merchant ship will be flown home within four days, a representative of the ship's owner said, UPI reports from San Diego. A spokesman for Canadian Pacific Bermuda, owner of the 21,426-ton J. V. Clyne, said the men would be flown to Hong Kong after an agreement was reached with Capt. Austin Magrail. Replacements would be sent out from the Philippines. Eighteen other crew remained abroad the ship.

Getty refund order

Getty Oil Company has said that the Federal Energy Office (FEO) has ordered it to refund about $35m. to Standard Oil Company of Ohio (Sohio) for alleged violation of Crude oil price rules, Reuter reports from Los Angeles. The FEO also ordered Getty to increase its "old oil" entitlement obligations over a six-month period by $60m. for alleged violations of the entitlements programme, Getty said. However, it said that the amount for entitlements can be recovered through increased product prices if market conditions permit.



Moscow awash with rain of tropical intensity, an event as frequent in the Soviet capital this summer as heat-waves are in Britain.

The drought in Western Europe and severe flooding in some of the traditionally drier areas of the world have increased interest in the management of the Earth's water resources. **Our United Nations Correspondent** reports on a series of meetings to study what could become a global crisis.

Either too much or too little

WATER, "the driver of nature" as Leonardo da Vinci called it, will be in critically short supply in both highly industrialised nations and the developing countries unless the management of this life-giving resource is radically improved, according to United Nations experts now preparing for a world conference on the problem.

This is to be held next March at Mar del Plata in Argentina. In the meantime, a series of regional inter-governmental meetings is being arranged on the same subject. The next one will take place in Lima, Peru, and will be followed by others in Addis Ababa and Geneva in September and October.

The conference itself, the first of its kind, will result in an unprecedented stocktaking of the whole gamut of water-related problems. It is expected to produce an international consensus on a number of policy and operational measures, to be translated into concrete proposals for action regionally, nationally and internationally.

A principal aim is to encourage greater efficiency in the supply and allocation of water resources, while promoting the stringent control of effluents. Interest in the conference has been increased by the severe droughts which have struck not only Britain and Western Europe but many other parts of the world, particularly in the past two or three years, and equally severe flooding which has occurred in some other areas unaccustomed to extreme rainfall.

Contrary to a common supposition that heavy rains can undo the harm done by prolonged dry spells, there is actually a fixed stock of water that can neither be increased globally nor diminished. It is, however, potentially inexhaustible, being renewed continuously through nature's hydrological cycle. Of course, locally available supplies may at the same time be quickly depleted or made unusable by inadequate conservation, pollution or overall careless management.

In a paper on the potential world water crisis which UN experts led by Professor Gilbert White have prepared for the consideration of governments, the point is made that water is the great leveller. "It tends to be available in the wrong place, at the wrong time, or with the wrong quality; and, in one way or another, all societies are affected, however rich, however poor," they observe.

The experts' report discloses so much that is wrong about the world water situation that it is nothing short of astonishing that governments have taken so long to decide to put their heads together and do something about it. For example, three-quarters of the world's rural population and one-fifth of its city dwellers are without reasonably safe drinking water, according to UN estimates. And, the experts say, less than one-half of the urban population in many countries is served with an adequate, safe water supply.

Proliferation of industrial processes, greater use of energy and increased agricultural activity are causing progressive, chronic degradation of the quality of available water by the increase of toxic compounds and other pollutants, while their capacity to cause birth defects and cancers pose a potential threat to human life. Water use is often needlessly inefficient

Obviously, most of the world's water is saline. Since 70 per cent. of the earth's surface is occupied by seas and oceans. Yet only 1 per cent. of the supply of fresh water is available for human use—from streams, lakes, swamps and in the ground. The remainder is locked away in ice-caps and glaciers.

"In the short-run," say the UN experts, "the welfare of humanity is likely to be measurably affected by the success with which nations adapt their activities to the realities of available water supply and human needs in specific river basins or regions. With few exceptions, supply is highly variable in each region: information about water resources is inadequate, potential uses are multiple and involve trade-offs in allocating supply: standards of quality tend to be determined by local or national preference; the application of scientific knowledge about water and its use lags far behind the findings of basic research."

The World Health Organisation, which has proposed targets for household and public water supplies and sewage disposal facilities, estimates that if these are to be attained by 1980, expenditure in the order of $36bn. will be needed. And UN authorities say this huge sum is probably far below the actual cost requirements. The World Bank recently calculated that to meet goals for Latin America alone $16bn. would be necessary in placed investment over a five-year period.

HOME NEWS

Office deal raises doubts over rents

BY QUENTIN GUIRDHAM

THE SAVE & PROSPER Group has been forced to offer both a "reverse premium" of £35,000 and immunity from a coming rent review in order to sub-lease a floor of one of the City of London's prestige office blocks, the *P & O Building in Leadenhall* Street.

The deal shows in unusual detail how far rent levels have fallen since the property market peak in 1973 and indicates the difficulties of setting fair rent levels when reviews fall due.

The Save & Prosper Group has held the lease on the 9,650 square feet seventh floor of the P & O Building since 1972. The rental is £131,000, with reviews in December this year and in 1981 and 1986 before the lease expires in 1989.

This rent level of £13.50 per square foot was quickly passed during 1973 when a few tenants in high quality buildings signed leases at more than £20 a square foot. So in October 1974, when Save & Prosper decided that it did not need the space and instructed agents Healey & Baker to assign the lease, the sub-tenancy was originally offered on the market at £190,000.

However, it has taken 18 months for any tenants to agree to terms and Save & Prosper has now accepted an offer from a company of grain brokers, clients of agents Kinney & Green, at the same 1972 level of £131,000 a year, with Save & Prosper additionally paying £35,000 to the incoming company and charging it nothing for fixtures and fittings.

Clearly when Save and Prosper enters discussions with P & O concerning the head lease rent review in December this year, it will argue that this sub-letting *indicates that there is no case for* any increase. Such reviews are meant to be settled at the current market level and if the two sides cannot agree, then the matter is taken to arbitration.

Healey and Baker said yesterday that the deal meant that "the rent equates to some £12 per square foot for the P & O Building and in view of the time taken to dispose of this lease, must cause some concern to the landlords who must be looking for increases when their reviews fall in shortly."

The division of opinion between landlords and tenants on what true market rents are in the City has been a feature of the last year. Through coincidence caused by the historical shortening of review periods, much of the City's office space will be reviewed over the next three years.

Should reviews establish a market rent of only about £12 a square foot for space in a building such as this, some further doubt on the capital value of City properties may develop in spite of the increased investment buying by institutions at yields which have fallen from over 8 per cent. to about 6 per cent. in the last 18 months.

The P. & O. Building was valued at £61m. in 1973, but the latest accounts note an independent valuation by Jones Lang Wootton estimating a drop in the group's City properties—of which the headquarters buildings represents about half in value—to about 55 per cent. of the previous figure.

But in spite of evidence of reduced rental levels—much influenced by increased rates which, in the case of the P. & O. Building, are over £7 per square foot—there are continuing signs that tenants are being found for many of the City's empty offices.

A survey published yesterday by agents Richard Saunders and Partners showed lettings last month in the City and City fringe areas of 748,000 square feet, at the highest monthly figure since its records began in 1973.

June year's best month for house building

NEW HOUSE building in June reached its highest level of the year, final figures issued yesterday by the Environment Department adding 800 to the previous estimate of 33,000 starts made on new homes during the month.

Council housing starts, at 17,600, were 1,000 up on the May figures. In the private sector, contractors began work on 16,200 homes, an increase of 1,600 over May.

The upward revision of the figure for new housing starts in June contrasts with the sharp downward revision of the initial estimates for May, when a provisional figure of 33,000 starts was reduced to 31,100 and has now been further revised to 31,200.

Total starts during the second quarter of the year were 95,800, against 81,200 in the first quarter and 86,900 in the second quarter of 1975.

On yesterday's final figures, completions in June totalled 26,800, against 25,000 in May. The number of private houses completed rose from 11,000 to 12,900, a less encouraging total than preliminary figures had indicated, but one which brings private sector completions in the second quarter, at 35,800, close to the first quarter's total of 36,800.

The private sector completions total is, however, well down on the 39,100 of the second quarter of 1975.

Completions of council homes in June totalled 13,900, against a revised figure of 14,000 for the previous month.

Coalite plant safety report delayed

THE REPORT being prepared by chemical and electrical engineers for the Health and Safety Executive on the Coalite plant at Bolsover, Derbyshire, where the chemical trichlerophenol is manufactured, is not expected to be ready for at least another week.

The engineers visited Bolsover two weeks ago to carry out a complete examination of the manufacturing process and safety systems following the accident at Seveso in Italy where an explosion at a plant producing the same chemical led to contamination of the surrounding district.

The trichlorophenol unit at Coalite's Bolsover works has been shut down since the Italian accident and will not restart until the HSE is satisfied with safety precautions.

In Bolsover yesterday, the local council environmental officer said he had been unable to obtain information from either the company or Derbyshire County Council on the location of plant buried after an accident during the manufacture of trichlorophenol in 1968 at Coalite's works.

Treasury sees DPP on Bank inquiry

BY MARGARET REID

THE Director of Public Prosecutions, Sir Norman Skelhorn, has been consulted in connection with Treasury investigation of possible breaches of the Exchange Control regulations by Bank of England officials, a Treasury spokesman said yesterday.

He added that it was not unusual for the Director's office to be consulted in the course of Exchange Control inquiries. The investigation was still going on.

It was announced at the end of April that the bank had started an investigation in conjunction with the Treasury, to discover whether any of its own officials had knowingly been involved in breaking the regulations.

That disclosure followed suggestions that a bank official might have been concerned in breaches of the rules relating to the investment currency market.

This is the market through which much overseas investment is conducted. People selling overseas shares and property generally collect a valuable premium, now about 35p in the pound, on three-quarters of the proceeds of their sale.

The Bank of England's April statement said that if evidence were found of any of its officials being knowingly involved in breaches of the Exchange Control Act, 1947, "the normal machinery would be brought into action with a view to a prosecution."

Big profits recovery by Royal Insurance

BY ERIC SHORT

ROYAL INSURANCE Group yesterday announced that half-yearly pre-tax profits were more than double those at the corresponding stage of 1975, the best interim results so far reported by a leading composite insurance company. A highly favourable second quarter more than offset an indifferent first quarter and pre-tax profits rose from £16.8m. in 1975 to £34.5m.

The recovery of the group from its worst-ever results in 1974, when a pre-tax profit of only £10.7m. was achieved, appears to be gathering pace.

The improvement resulted from both a reduction in the overall underwriting loss from £12.3m. to £8.2m. and a 48 per cent. increase in investment income for the period to £41.3m.

The underwriting loss in the U.S., the biggest area of operation, fell to $24.7m. from $32.2m., the operating ratio of claims and expenses to premiums in the second quarter falling to 101.5 from 109.9 in the first quarter. This dramatic fall is in line with the experience of the major U.S. insurance companies and contrasts markedly with the improvement of the Commercial Union in the U.S. in the second quarter from 110 to 106.4.

Mr. Daniel Meinertzhagen, chairman of Royal, reported a general improvement in underwriting experience in almost all territories.

Royal also reports underwriting profits from two other major territories, Australia and Canada, which previously were experiencing heavy losses.

The rise of £13.4m. in investment income over the period arose partly from £3.5m. earned on the proceeds of the rights issue and £5m. from the increased sterling value of overseas income as a result of the fall in value of sterling.

But Mr. Meinertzhagen stated that aside from these two factors, income from investments rose by 17 per cent. Investment in the U.K. had been mainly in gilts since the company regard the U.K. equity bull market as being largely over. The group had participated in all new issues but had sold other equities.

The interim dividend is being increased by 10 per cent. to 5.83p which will cost £8.8m. The market was pleased with the results, which were better than expected and the share price, which rose 4p ahead of the *results, improved by a further* 8p on their announcement and finally ended 10p up at 308p.

Company news Page 16

Lex Back Page

Leyland seeks outside talent

By Terry Dodsworth, Motor Industry Correspondent

BRITISH LEYLAND is casting an unexpectedly wide net in its search for a successor to Mr. Ron Ellis as managing director of the Truck and Bus group.

Whereas the series of appointments which followed the Ryder Report were of personnel already in the company, Leyland has on this occasion appointed a special group to look for outside talent. This indicates that Mr. Alex Park, the group chief executive, has decided against any immediate move to switch successful members of of his management team to Truck and Bus from other parts of the company.

U.S. visit

He will be visting the U.S. towards the end of this week, but *Leyland* says this is a prearranged trip to see the American sales company and is unconnected with interviews for the Truck and Bus job.

The "headhunting" group is believed to have put together a list of "possibles" for the job although it has been at work for only about ten days, and Leyland must now embark on the process of winnowing out Mr. Ellis's successor.

Mr. Pat Lowry, Leyland's personnel director, is standing in as managing director, the Truck and Bus group, which Mr. Ellis formally leaves at the beginning of September.

Motor premiums go up 10%

ROYAL INSURANCE confirmed yesterday that it was increasing its premium rates for private motorists from September 1. Some 500,000 drivers will pay on average 10 per cent. more for their motor insurance. Young drivers could pay as much as 13½ per cent. more.

The company last revised its rates on September 1 last year, when it raised them an average 12½ per cent.

Royal reported yesterday that its U.K. motor account was showing a small profit for the first half of this year.

Chrysler to recru more workers as orders build u

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRE

A RAPID improvement in Chrysler U.K.'s order book, particularly in overseas markets, is leading to a recruitment effort in the Midlands—only weeks after the company ended its 8,000-man redundancy campaign.

The expansion begins next month at the Stoke power train plant in Coventry, where 800 men are needed. About 1,800 employees were made redundant or left Stoke voluntarily in the spring.

Chrysler also wants about 250 more employees at Ryton, Coventry, where the new Alpine model is being assembled from French-made parts. There may be further recruitment in the new year, when Chrysler aims to expand output of the Alpine from 684 cars a week to 750.

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Motor industry sales 27% in second quart

TURNOVER IN the motor industry rose by 27 per cent. in the second quarter of the year compared with the same period last year, mainly because of increases in the sale of new and used vehicles.

Sales of new vehicles were 27 per cent. higher, while sales of used vehicles went up by 26 per cent. in value terms.

On the same comparison other sales and receipts (which include petrol, oil, tyres, spares and accessories, plus receipts from servicing and repairs) rose by 13 per cent.

The statistics bear out indica*tions in the first half of the year* that car registrations will be higher this year than last. Unit sales are about 6 per cent. up on last year, so far, and the industry is hoping to maintain momentum

for the rest of the y
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Commercial

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Japan makes it easie to admit EEC cars

FOLLOWING a long battle waged by the EEC to make it easier for European cars to meet Japanese import regulations, *Japan has agreed to station one* or more officials in Brussels to issue model certificates.

The snags in shipping vehicles to Japan for certification has been one of the main complaints

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WORLD TRADE NEWS

British Petroleum to sell Alaska oil to Japan

BY CHARLES SMITH

TOKYO, August 18.

BRITISH Petroleum confirmed through its Tokyo office to-day *that it hopes to sell oil from its* Alaskan North Slope field to Japan when oil starts to flow some time in 1977.

BP says, however, that such sales will have to depend on U.S. Government approval and will in any case represent only what is left after fully meeting demand on the American West Coast.

BP is also proposing a "back-to-back" arrangement which would mean that shipments of Alaskan oil to Japan would be matched by deliveries of Middle East oil to the East Coast of the U.S.

BP expects to be delivering *some 600,000 barrels of Alaskan* oil per day to the Californian terminal of Valdez by the middle of next year. This is more than it expects to be able to sell on the West Coast and it would be too costly to ship to the East Coast. Japan has emerged as *the logical market for part of* the North Slope oil at least in the early stages of production.

From Japan's point of view Alaskan oil would be attractive for political reasons and reasonably well suited for processing. It buys about 60 per cent. of its oil from the Middle East (including Iran) but would like to diversify its sources of supply.

One of the major dangers inherent in the current dependence on Middle East oil is that supplies reach Japan through the strategically sensitive Malacca Straits. These could be closed either by the Littoral States themselves or by Soviet naval *activity which is now becoming* increasingly prevalent in South East Asia.

Alaskan oil has an approximate one per cent. sulphur content which the Japanese regard as relatively high. The Japanese refining industry, however, is *geared for desulphurisation* so this does not necessarily present a problem.

As far as cost is concerned freight rates from the Californian terminal to Japan should be lower than those from the Middle East unless the U.S. Government stipulates that the oil should be shipped in American vessels.

BP is taking care not to be specific about its contacts with Japan on the Alaskan oil question but the company is known to have had talks with Idemitsu Kosan which has indicated its interest.

There have also been talks with the Japan Petroleum Devel*opment Corporation which is the* State-financed body responsible for securing overseas and domestic sources of oil. The issue has been discussed with the U.S. government.

New Tokyo trade push

BY DOUGLAS RAMSEY

TOKYO, August 16.

JAPANESE business is back on the offensive for markets in the Soviet Union. Last week Mr. Toshiwo Doko, president of the Japanese Employers' Federation, Keidanren, took a mission to Moscow to sound out Soviet officials about economic co-operation.

There were no major contracts announced, but the reception by Soviet party boss Leonid Brezhnev has stirred some hopes in Tokyo of a new boom in trade.

The last flurry of economic activity between the two countries, however, will serve as a restraining influence this time round. After the first major co-operation pact was signed in 1968, Japan was all set to build up Siberia for the Russians.

In actual fact, the end product of that effort, eight years on, is more timber exports from Russia as a result of forestry assistance *from Japan*.

But in April of this year Japan (together with the U.S.) at last signed an agreement to develop natural gas deposits at Yakut in Eastern Siberia.

Work is also to get under way on joint oil exploration off the Sakhalin Islands, and Japanese exports for the first half of 1976 were some $200m. more than the same period in 1975 (or over ten times their level of 1968, when the first pact was signed).

Canada to support rig deal with Russians

OTTAWA, August 16.

CANADA'S Export Development Corporation to-day said it will lend up to $C8.1m. to support the sale by a number of Canadian petroleum service companies of oil drill rig components and related equipment to the Soviet Union.

Global Trading Company, Calgary, will act as agent for the Canadian Drilling Research *Association*, a 14-member group of the country's major petroleum operators and for V-O Machino-import, the official Soviet trading agency. The Bank for Foreign Trade of Russia is the borrower.

The $C8.1m. loan agreement valued at up to $C9.5m. to Canadian industry is the first to be signed under a $C500m. line of credit arranged for the Soviet Union in May 1975 to support the sale of Canadian goods and services to Russia.

The oil drill rig components will be used, along with Soviet equipment, to drill a test well in the permafrost region of the western Soviet Arctic.

AP-DJ

Hungarian transit problems persist

FINANCIAL TIMES REPORTER

SENIOR officials from the Department of the Environment flew to Budapest yesterday in an attempt to solve a crisis that is threatening £4m. worth of British exports every week.

As many as 100 British vehicles each with cargo capacities of 18 to 20 tons have been driving through Hungary each week on route to the Middle East. But last week the department ran out of its quota of transit permits and had to refuse requests from British hauliers with cargoes booked for markets of Iran, Saudi Arabia and the Gulf States.

The problems have arisen largely as a result of the success of this new route. Late last year Britain gained agreement from East Germany for an unlimited number of journies across its territory.

Hungary then gave permission for a quota of 1,300 journies which, for a new route, appeared to officials at this end to be adequate to meet any demands.

Road transport operators took up the permits so rapidly that at the beginning of the summer a further 700 permits were requested and granted by the Hungarian authorities.

The department said: "Demand increased due to a number of unusual factors. West Germany suspended the rail service that carried lorries from Cologne to Ljubljana in Yugoslavia as the cost had become uncompetitive with the road routes.

"At the same time British exports to the Middle East rose dramatically, as much as 70 per cent. to some countries."

The only way out for exporters at present seems to be to switch to hauliers in continental countries which have larger quotas of permits.

But with average freight charges at about £4,000 to a vehicle load, even if the industry succeeds in delivering the goods, Britain's hauliers will be losing anything up to £400,000 per week in transport fees.

Uranium plant for Brazil

BY RUPERT CORNWELL

PARIS, August 16.

Pechiney-Ugine-Kuhlmann, the French metals and chemicals group, has won a Frs.150m. *(£17m.)* contract to build a uranium processing plant in Brazil, due to go on stream at the start of 1979 with an annual production of some 500 tonnes of the metal.

The deal was signed last week by Nuclebras, Brazil's atomic energy body, and Societe Technique d'Enterprises Chimiques (STEC), a specialist subsidiary of PUK. It will be installed in the state of Minas Gerais, close to the uranium deposits at Pocos de Caldeas.

In a sense the contract is a small consolation prize for the French after seeing the colossal nuclear power station programme planned by Brazil go to the West Germans. However it underlines the mounting importance of PUK in the field, after similar orders from both Niger and Italy in recent months.

Meanwhile French companies have scored some notable successes in the subcontracting for the $2bn. complex to be constructed in South Africa, some 80 miles east of Johannesburg, to use part of the Republic's enormous coal reserves for the production of oil.

Zambia rail tariffs rise

BY OUR OWN CORRESPONDENT

LUSAKA, August 16.

ZAMBIA RAILWAYS has increased tariffs for incoming goods by 20 per cent. following the devaluation of the Kwacha: the increases to be effective from August 1.

Zambia Railways general manager, Mr. Honsea Soko, said here to-day that the goods affected by the new rates were those originating from south of the Victoria Bridge, destined for points in Zambia and Zaire's Sakania border and vice-versa.

Zambia Railways is the second state transport firm to increase rates since the Kwacha was devalued by 20 per cent. Zambia Airways has already increased international fares tariffs and cargo by 25 per cent. last month.

Coal bought by Zaire from the Wankie Colliery in Rhodesia passes through Zambia. A number of commodities imported into the country have had their prices increased following the slump of the Kwacha.

Meanwhile, Philips Electrical Zambia will have to pay an extra K300,000 for goods ordered abroad before the devaluation of the Kwacha. The money accumulated because of delays in foreign exchange allocations by the Bank of Zambia.

India wins engineering contract in Kuwait

By K. K. Sharma

NEW DELHI, August 16.

THE Government-owned Engineering Projects India has won a 2.3bn. Rupee (about £150m.) contract to build a complete township near Kuwait.

It is a turnkey contract but EPI will complete engineering *and architectural services* with Pacific Consultants International of Japan.

This is the biggest contract of its kind won by an Indian company abroad. It will involve shipment from India of about 500,000 tonnes of construction materials including 300,000 *tonnes of cement* and 7,000 tonnes of steel. About 5,000 skilled and semi-skilled Indians will work on the project.

The letter awarding the contract was received yesterday and has been won against stiff competition from, among others, Italian and Korean companies. The contract has been awarded by the National Housing Authority of Kuwait. It is also believed to be the single largest contract awarded by Kuwait.

The new township will be about 10 kilometres from Kuwait City and the contract stipulates installation of all infrastructure, like roads, water supply system and electricity supply. The township will have 3,317 dwelling units.

Germany buys Br

BY NICHOLAS COLCHESTER

BONN,

THE latest figures for U.K. trade with West Germany show an encouraging rise in British exports to that country in the first six months of 1976. But Britain has also been importing more from Germany, so there has been little improvement in the Anglo-German trade deficit.

German imports from Britain (c.i.f.) were up by 24.3 per cent. to DM4.06bn. — a particularly emphatic rise when one considers that figures denominated in Deutschemarks do not benefit from the fall of the pound *sterling—in the first half.*

Britain's share of Germany's imports was thus
up from 3.7 per
earlier and from 3
1973.

On the other
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in German export
F.o.b. and c.i.f. fig
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remained more or l
because the higher
of German exports
offset the greater
centage growth rate

Exports to Mideast r

BY GUY HAWTIN

FRANKFURT,

WEST GERMANY'S trade with the Middle East is still expanding rapidly. Although the rate of export growth has fallen back from the heady 78 per cent. of the first half of last year, the 1976 January to June figures show sales to the area up by a *respectable 20 per cent.*

The Federal Republic's remarkable export performance in the Middle East was achieved despite substantial declines in sales in four countries.

The most important of these was the Lebanon where, because of the civil war, West German exports were down by 79 per cent. from DM224m. (£49.2m.) in the first half of 1975 to DM48m. in the same period of this year.

Overall exports w
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The oil producers
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FINANCIAL TIMES SURVEY
Tuesday August 17 1976

Claymore Field

Claymore, one of the smaller North Sea oilfields, should by next spring be making its modest but significant contribution to Britain's growing offshore supplies. Favoured by access to facilities of a neighbouring field, development of this marginal find seems set to prove an extremely viable proposition.

All the marks of a success story

THE DEVELOPMENT of the Occidental Group's Claymore Field has reached a significant stage with the load-out this week of the last of the four production modules. The British-built facilities will be towed to the basic platform structure, already in position some 110 miles north-east of Aberdeen.

If installation of the prefabricated production units on the platform proceeds as planned—and there is always a big "if" in the deep and hostile waters of the North Sea—the field could set a new U.K. record for the time taken to develop an oil find from the original discovery date.

The field, discovered on block 14/19 in May, 1974, should be on stream in April or May next year, ultimately adding up to 168,000 barrels a day to Britain's flow of offshore crude. The speed with which the find is being developed—and the project is currently on schedule—owes much to the bigger Occidental Group find, the Piper Field, a few miles away on block 15/17.

It is probably a truism that Claymore would not have been developed at this time had it not been for Piper. For Occidental and its three partners, Getty Oil (U.K.), Allied Chemical (North Sea) and Thomson North Sea, were able to spread the total development costs across the two fields. For instance, they will both use the same pipeline and Orkney oil terminal, originally planned for Piper alone.

All that was needed to develop Claymore was a production platform, a nine-mile pipeline spur linking the field with the trunk pipeline, and extended facilities at Flotta in the Orkney Islands.

Collateral

Even this scheme, modest when set against some North Sea development programmes, is costing around $490m. (about £272m.). The overall development cost for Piper and Claymore is now approaching $1.2bn. Not only are the facilities being shared: the Piper Field recoverable reserves, estimated to be around 800m. barrels, are being used as collateral in two major Claymore financing deals.

Occidental has arranged a seven-year $175m. Eurodollar facility with an international consortium of banks headed by the International Energy Bank and the Republic National Bank of Dallas. The money is being used to fund the Claymore development. At the same time, Thomson has arranged loans with the same group of banks which are providing $100m. to fund its share of the Claymore costs. In addition it arranged a $40m. credit facility with a syndicate of banks led by the Royal Bank of Canada to provide additional finance for both Claymore and Piper.

There have been technological advantages in developing two nearby fields, as well. The Occidental Group encountered serious problems during the piling programme on Piper; consequently it took almost a year to complete. But Occidental learned from its setback. The Claymore piling programme started on June 23 and was completed by July 21—a record time.

Industry analysts Wood, Mackenzie comments in its latest North Sea report: "Admittedly the Claymore piles were driven into the ground by means of hammers, whereas the Piper piles had to be inserted by means of a drilling process; but, even so, the feat accomplished by the Claymore project team is considerable."

So the Claymore Field development owes a great deal to Piper: an association which must give some measure of oil industry hope for the future development of other "marginal fields." For, in terms of recoverable reserves, Claymore would, on its own, be deemed as a commercially marginal discovery.

The Occidental group hopes it will be able to extract 400m. barrels or more from the field, although DeGolyer and MacNaughton, independent consultants, estimate the recoverable reserves to be 356m. barrels. The consortium of banks have taken an even more cautious view of reserves at 257m. barrels. In truth the production profile will not be known before the field has been yielding crude for some time. The field life is estimated to be 20 years.

It is generally felt in the oil industry that to-day it could be difficult to make out an economic case for developing any field with less than 500m. barrels of reserves, although this is an extremely rough yardstick. A glance down the list of 14 U.K. oilfields currently on stream or under development shows up the many anomalies. Hamilton Brothers' Argyll Field has just 70m. barrels of recoverable oil and yet it is one of the more profitable in the North Sea. Shell/Esso's Auk Field, with about 50m. barrels, is currently producing above the rate anticipated and is another financially attractive project. Indeed, no fewer than 10 of the commercial fields have less than 500m. barrels.

So why the pessimism? The oil industry is concerned that the demands of new technology, higher costs and the current tax regime are combining to make the smaller fields less attractive. Quite a few of the 14 commercial fields would probably remain undeveloped if they were discovered to-day. It is fortunate that they were sanctioned several years ago, before costs rocketed.

It is not only inflation that is to blame. As the oil companies progressed up the learning curve so they demanded new production facilities, different transportation systems and modified fabrication methods. What is happening on Claymore is a case in point.

Development of the project demanded that the final weight of the four production modules was far greater than the original design. In the end the modules weighed between 1,500 and 2,000 tonnes each. This particular project, undertaken by William Press Production Systems, involved over 50 British companies and cost in total around £36m. And yet in spite of the considerable design changes the work was completed on schedule.

Dr. Dickson Mabon, Minister of State for Energy, has been harshly critical of the oil industry for underestimating the difficulties of designing, manufacturing and installing complex production systems in such formidable maritime conditions.

A recent Government report points out that the cost of BP's Forties Field development rose from an estimated £350m. in 1972 to £750m. in mid-1975. The true cost is now nearer £800m.

The report says that taking all projects in the North Sea, the most recent cost estimates are over double the initial estimates — an increase of over 108 per cent. For projects active in the period autumn 1973 to spring 1975 the increase was even higher, with final estimates some 2.4 times the initial budgets.

Dr. Mabon said that licensees' desire for quick exploitation of new-found North Sea oil led them to rush into development programmes "like a bull at a gate." The industry was now proceeding more cautiously, he said, and there was unlikely to be such massive cost escalation in the future.

But is it right that Dr. Mabon should criticise the industry? Was it not in the country's interest to produce its own oil as quickly as possible and to start demolishing the crippling balance of payments deficit largely caused by oil imports? And was not the Government just as over-eager for development when it stimulated the construction of oil platform fabricating sites in anticipation of an ordering programme which, as we see now, will never arise?

Increasing caution is justified as costs rise and development moves to more remote and deeper waters of the U.K. Continental Shelf, and the size of fields becomes generally smaller. But by moving swiftly in the early stages the oil industry has enabled itself and the Exchequer to slow down and catch their breath.

The latest fact sheet, produced last month by the Department of Energy, shows that this year the first oilfields on stream should be producing between 15m.-20m. tonnes — around 20 per cent. of U.K. consumption and worth between £800m. and £1.1bn. to our balance of payments. By 1980, when the country should be energy self-sufficient, the 14 fields should be producing between 95m.-115m. tonnes, a direct balance of payments boost of bet £5.2bn.-£6.3bn. at mid-197 prices and exchange rates

Although Sheikh Ya Saudi Arabia's Oil Min feels that Britain may deliberately over-estimatin size of North Sea reserve Department of Energy stic its opinion that total re able reserves could reach tonnes; worth well over £2 in undiscounted terms. P reserves are put at 1. tonnes; proven and probal 2.29bn. tonnes, and p probable and possible at tonnes.

Mystery

How much of this oil w developed remains a my partly obscured by the G ment's future taxation con tions. It is about two since an offshore ope group decided to procee the development of a although a few more are ted to give the go-ahead i

In the meantime Brita only bank on those field are being or about to b mercially exploited: field an estimated 1.13bn. ton recoverable oil. Clay contribution to this tot around 4.8 per cent., coul have been lost had n Occidental Group decide very early stage to o development and to u Piper Field for financi operational support.

Ray D
Energy Corresp

An indication of the giant scale of the platform during construction by the Union Industrielle d'Entreprise at Cherbourg.

U.K. COMMERCIAL OILFIELDS

Field	Operating Group	Est. Recov. Reserves (m. barrels)	Production timetable
Argyll	Hamilton Bros.	70	Producing—June 1975
Auk	Shell/Esso	50	Producing—Feb. 1976
Beryl	Mobil/GC	400	Est. start —Aug. 1976
Brent	Shell/Esso	2,000	Est. start —Sept. 1976
Claymore	Occidental	400	Est. start —April/May 1977
Cormorant	Shell/Esso	160	Est. start —Aug./Sept. 1977
Dunlin	Shell/Esso	400	Est. start —Aug./Sept. 1977
Forties	British Petrlm.	1,800	Producing—Nov. 1975
Heather	Unocal	150	Est. start —mid 1978
Montrose	Amoco/GC	130	Producing—July 1976
Ninian	Chevron/BP	1,000	Est. start —June/July 1978
Piper	Occidental	800	Est. start —Nov. 1976
Statfjord	Conoco	438	Est. start —Nov. 1978
Thistle	Burmah	450	Est. start —Oct. 1977

Sources: Department of Energy and Wood, Mackenzie.

Novel financing package

THE FINANCING package for the Claymore Field Development was unique, like so many aspects of the project. It also highligted, once again, the vulnerability of a North Sea marginal field.

Each member of the Occidental group made its own independent funding arrangements. In essence, Getty Oil International (England) and Allied Chemical (GB) raised the necessary funds internally; Occidental and Thomson North Sea arranged loans through an international consortium of banks.

The consortium, headed by the International Energy Bank and the Republic National Bank of Dallas, arranged a seven-year $175m. Eurodollar facility for Occidental, repayable in instalments by the end of 1982. In Thomson's case the facility amounted to $100m., with a further $40m. of credit being provided by a syndicate of banks led by the Royal Bank of Canada.

The novelty of the deal lays in the way Claymore financing is riding on the back of the Occidental Group's Piper Field. Piper, which is reckoned to be among the most profitable commercial finds in the North Sea, is being used in some measure as collateral for the Claymore financing.

The terms of the financings mean that the credit facilities are not simply repayable from the proceeds of oil sales from Claymore but, if necessary, from the Piper revenue as well.

Loophole

As part of these security arrangements the Government agreed to amend the licensing provisions. This action ws taken after it was discovered that there might be a legal loophole casting doubts about Occidental's rights to the Claymore Field's reserves.

The lending banks pointed out that the development licence was issued by the Government in substitution for a part of a previous licence which had been surrendered. As the licence should have been advertised, it was felt that the validity might be challenged.

The banks' caution was shown again in the way they viewed the recoverable oil reserves of Claymore. The consortium considered that the field would produce at least 257m. barrels, an extremely conservative estimate when set against consultants DeGolyer and MacNaughton's estimate of 356m. barrels and analysts Wood Mackenzie's 400m. barrels. Within the oil industry at large estimates have gone as high as 450m. barrels, although the true production profile will not be known before the field is on stream next year.

But the banks have added to their safety margins by also assuming an extremely low price for North Sea crude; well below the $12 to $13 per barrel rate at present. There can be few in the industry (or banks) who expect the price to fall over the next few years.

Furthermore, in Thomson's case, the banks are to receive a royalty on the oil recovered to compensate them for "certain risks associated with the project." Thomson, a fortunate newcomer to oil exploration, will provide the banks with 3 per cent. of its Claymore Field production and 2.5 per cent. of its share of the first 642m. barrels produced from Piper.

Under previous financing arrangements—in which Occidental and Thomson raised $150m. and $100m. respectively for the Piper Field development—the lending banks had already been assured of receiving a royalty of 2.5 per cent. of Thomson's share of the first 642m. barrels out of Piper.

Nevertheless, the Financial Times Lex column was moved to note on February 5 that for Thomson the deal appeared to be an "excellent" arrangement. It had enabled Thomson to fully finance its 20 per cent. stake in the estimated $480m. Claymore development costs. (The costs may have risen slightly in the past six months, but they are still well under $500m.)

It is unlikely that a suitable financing package could have been found for the marginal Claymore field if the bigger and brighter Piper find had not been lying close by. The deal is an example of the way banks, institutions, the City in general and the Government are willing to adopt a flexible approach to North Sea financing. So far almost all the arrangements have been novel in some respect.

Arthur Andersen and Company's excellent U.K. Offshore Oil and Gas Guide, points out that in the past three years financing in the form of syndicated bank credits in the Eurocurrency market has totalled 3bn. In the coming three years, when more development programmes are likely to take shape, far larger amounts of bank finance will be required.

Typically banks have either direct or indirect recourse to other sources of repayment in the event that the returns from a particular field are insufficient to service the borrowings. In some cases the Government has stepped in to guarantee bank loans in exchange for pa tion agreements and royalties. This was the the Thistle Field whe Government agreed to g tee some of the funding tions of Tricentrol and I

In the case of the big Field, a separate subsidi established by British Pe and the lending banks of the financing arrang One special share of th pany, which technicall and operates the field, by the banks. The share rights unless BP or it sidiary default or app become insolvent. I event, the rights of the will be enlarged so th banks take control of the ing company; under a s designed debenture the would use that control t ate the field to repay advances.

London and Scottish Oil (LASMO) and S Canadian Oil and Tran tion (SCOT) adopted a di approach to raise about for the development Ninian Field. In an u new issue—one of the on the capital marke chose to offer a combina loan stock and an "oil tion stock." The OPS, are known, give holde right to receive payme lated to the value of prod from the oilfield.

A number of companie relinquished part of their Sea holding—to the Gover or to other private grou order to fund their rem share of development cos least one consortium of tutional investors has created as a further me financing.

So although the raisi funds for North Sea inves poses extremely big and novel problems—develo costs are invariably h companies like Occidenta Thomson have shown tha a fair degree of ingenu answer can be found.

BANKS INVOLVED IN $175M. OCCIDENTAL FINANCING FOR THE CLAYMORE FIELD

International Energy Bank (co-manager)
Republic National Bank of Dallas (co-manager)
Bank of America
National Westminster Bank Group
Royal Bank of Canada
Barclays Bank International
Canadian Imperial Bank of Commerce
Continental Illinois National Bank and Trust Co.
Midland Bank
Manufacturers Hanover Trust Company
Toronto Dominion Bank
Seattle-First National Bank
Marine Midland Bank
Bank of Scotland
Irving Trust Company
United California Bank
The Royal Bank of Scotland
Wells Fargo Bank
Banque Worms Finance
First National Bank of Commerce (New Orleans)

Final positioning of the platform after the long tow from France.

CLAYMORE FIELD III

Economics of a marginal field

[T]HERE WAS a poignant [m]oment during the evaluation [st]age of the Claymore Field. Mr. [...]b MacAlister, vice-president [of] Occidental of Scotland and [he]ad of the U.S. group's explor[at]ion and development opera[tio]ns in the U.K., was reviewing [th]e reserves prospects following [th]e seventh well. "We still need [...]0m. barrels more or less. Keep [yo]ur fingers crossed for number [ei]ght," he extolled his col[le]agues in the operating group. But the eighth well failed to [re]veal any more oil. The Occi[de]ntal group was faced with the [pr]oblem, becoming all too [fa]miliar in the North Sea: [sh]ould it proceed with the [de]velopment of a statistically [ma]rginal field; or should it lock [it] away for some future, [bri]ghter day?

It is possible to give this rare [in]sight into oil company deli[ber]ations because Occidental [(r]ather bravely) agreed to be [scree]ned by Granada Television [du]ring the run-up to the deci[sio]n-making on Claymore. As [th]e programme clearly showed, [th]e decision had virtually been [m]ade by the time the eighth well [w]as drilled; irrespective of its [su]ccess the consortium could not [re]ally afford *not* to proceed.

The four partners had already [co]mmitted $90m. on the find. [S]purred on by the success of [th]e second well, the group had [or]dered a production platform. [In] *the end, that early decision* [pr]oved to be a wise move. [A]lthough the cost of the Clay[m]ore project has escalated con[si]derably it is likely that the [bi]ll would have been far greater [if] the ordering decisions had [be]en delayed for a year or so.

By ordering when it did, the [g]roup was able to secure an [ea]rly manufacturing spot with [th]e French company, Union [I]ndustrielle d'Enterprise. As it [h]appened, the platform was con[st]ructed and installed extremely [q]uickly—in well under two [y]*ears from the original contract* [d]ate. To help matters, the pil[ing] programme was also com[p]leted in record time.

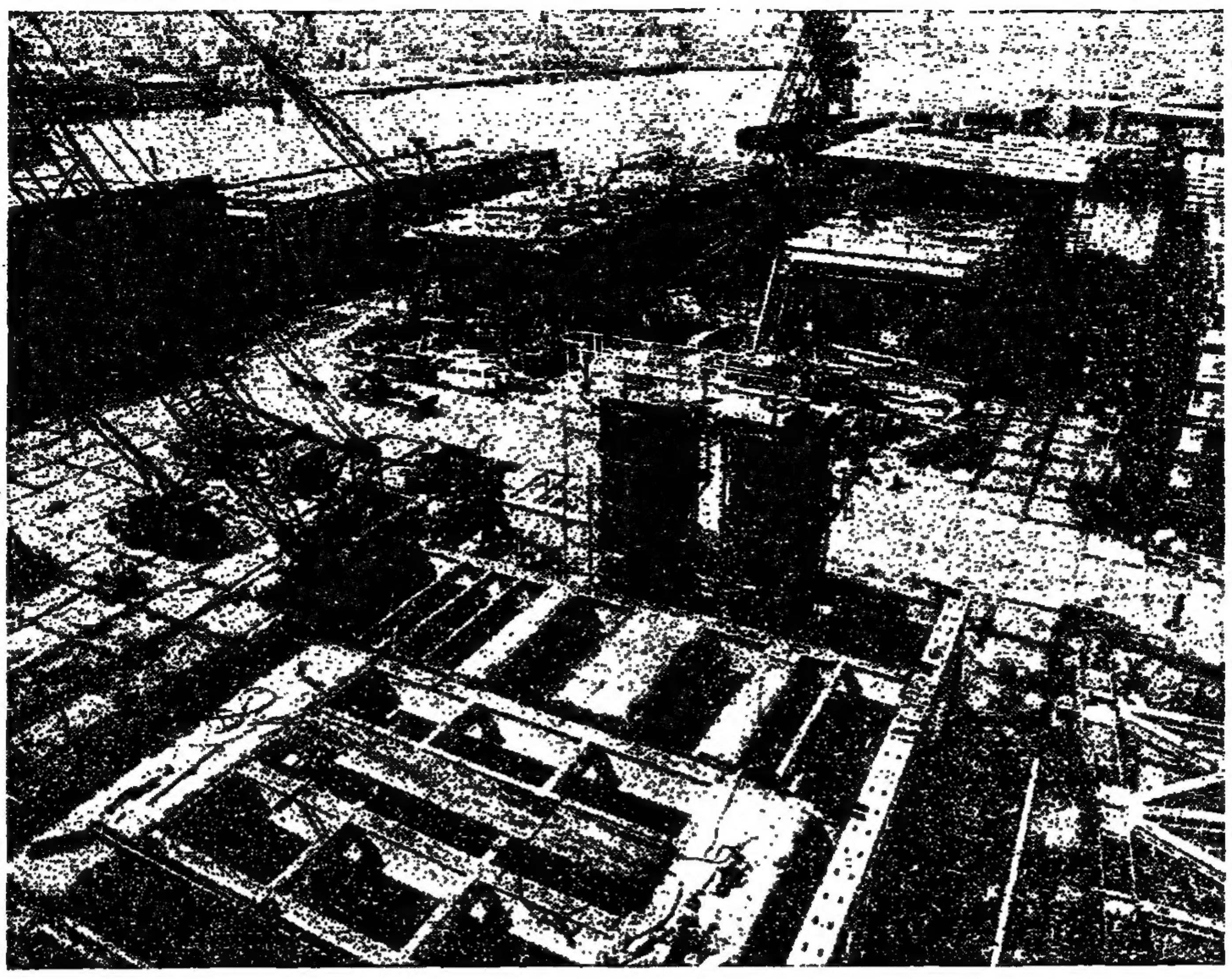
And yet, returning to Mr. MacAlister's plea, in cold statistical terms Claymore should have been a non-starter. As a general rule of thumb, it is reckoned that it is difficult to make an economic case for developing any field with less than 500m. barrels of recoverable reserves.

In Claymore's case, independent consultants put the figure at 356m. barrels and financing banks opted for the even more conservative figure of 257m. barrels. Looking on the most optimistic side, there seems little chance that the field, as delineated at present, could produce more than 400m. to 450m. barrels—although the potential could of course alter as production proceeds.

Salvation

As demonstrated in other parts of this survey, the salvation of Claymore has come in the nearby Piper Field. The sharing of pipeline and shore facilities has meant that development costs have been reduced to manageable levels; consortium members have been able to raise finance by using the assets of Piper as a measure of collateral.

As a result of the link with Piper, Claymore looks like being *one of the most profitable fields* in the North Sea. A recent research monograph, published by Strathclyde University's Fraser of Allander Institute for Research on the Scottish Economy, proves the point. Mr. Alexander Kemp, lecturer in *economics* at Aberdeen University, suggests that Claymore could show an internal rate of return of 46 per cent. His assumptions, in arriving at this figure, include a $12 per barrel oil price and the imposition of the current fiscal package—royalties at 12½ per cent.; Petroleum Revenue Tax at 45 per cent.; and Corporation Tax at 52 per cent.



Construction of Claymore modules at the Howton yard of William Press Production Systems.

The monograph, "Taxation and the Profitability of North Sea Oil," also shows up some other apparent anomalies in the "small is marginal" theory. Using the same basic assumptions, Hamilton's Argyll Field, with just 70m. barrels of recoverable reserves, shows an internal rate of return of 61 per cent. and Shell/Esso's tiny Auk Field, with only 50m. barrels of reserves, is seen to have a healthy 52 per cent. return.

But at the other end of the scale Chevron/BP's Ninian Field, one of the biggest with an estimated 1bn. barrels of recoverable reserves, is expected to have a 20 per cent. rate of return.

Clearly it is a dangerous game to link profitability with size. As Auk and Argyll prove, it is possible to make a very healthy return provided development costs are kept to a minimum. Both these fields were developed early in the North Sea programme, thus avoiding much of the inflation-led cost rises; each utilises an off-shore loading system, thus avoiding the need for costly pipelines. In Argyll's case, costs have been contained even more by using a semi-submersible floating production platform—a type of system now being considered by the Transworld operators of the Buchan Field. One way of reducing capital costs even further would be to lease a semi-submersible production system—this may feature in future development programmes.

It seems sensible, then, to use the rate of return on investment, rather than the size of a field, as a guide to what is marginal and what is not. Even this presents problems, as Mr. Kemp points out Shell had once indicated that a 15 per cent., return after tax would be sufficient to justify development while Gulf thought that 25 per cent. would be required.

I have also heard it argued—quite reasonably in my opinion—that companies with an in-house use for crude should be looking for at least a 20 per cent. return, while those facing the risk of selling the oil on the open market should be looking for a minimum return of 25 per cent.

Experience has shown that delays, cost escalation and changes in the world price of crude can all vary the eventual return. A recent Government report (North Sea Cost Escalation, Study Energy Paper No. 7) highlighted the way in which the cost of projects had increased during the development stages. The report concludes that taking all projects in the North Sea the most recent cost estimates are over double the initial estimates—an increase of over 108 per cent. For projects active throughout the period autumn 1973 to spring 1975 the increase was even higher, with final estimates some 2.4 *times the initial* budgets.

There are many reasons for soaring costs, of course, and inflation is only one of them. Dr. Dickson Mabon, Minister of State for Energy, last month put much of the responsibility *on the shoulders* of the oil industry itself. Companies, he said, had underestimated the difficulties of designing, manufacturing and installing complex production systems in hostile conditions.

In the northern part of the North Sea, for instance, it is possible to experience a maximum wave height of over 100 feet, whereas in the Santa Barbara Channel in the U.S. the maximum is less than 50 feet. Again, in the northern North Sea operators face about 15 per cent. "downtime" on drilling operations due to bad weather, whereas in the Gulf of Mexico and Santa Barbara they can expect nil interference. These are examples of the hostile conditions that are frustrating North Sea development plans and putting up costs.

A financial model of a 400m. barrel field, prepared by a major U.S. company, shows that a 15 per cent. increase in capital expenditure can cut the discounted cash flow return by 4 per cent. A one-year production delay could cause a 25 per cent. drop in the DCF return. And it is not unusual to find a field being influenced by both factors at the same time.

Dr. Mabon believes that the oil industry is taming the problems; that they are proceeding with development more cautiously. But, he warns, increased knowledge of the technology and higher costs involved could also make more of the smaller discoveries "marginal" or non-commercial fields.

He revealed that one offshore group had already applied for a remission of royalty to make the economics of development more attractive. The application, concerning a field still to *be developed, had been rejected.*

The case points to one of the concerns of the oil industry. It feels that the taxation system, as applied now, is too harsh to encourage the development of smaller, possibly marginal fields. The Government has *taken some steps; companies* are able to recover 175 per cent. of investment before becoming liable to PRT, for example. Fields are exempted from the tax for the first 1m. tons of production and there is provision for companies to avoid tax if the pre-tax return falls below 30 per cent. in a year.

The remission of royalty—worth about $1.50 a barrel on oil selling at $12 a barrel—is a discretionary Government power, however. So *far* the option has not been exercised.

Inflexible

The industry feels the system is too inflexible. So does Mr. Kemp. He found the fiscal package to be "too blunt and *insensitive* to achieve its objectives." Under existing conditions changes in rates of PRT were an ineffective way of assisting marginal fields.

It might be worth the Government pondering on this point. For it is likely that most of the really big fields in the North Sea have now been found. Increasingly Britain will depend on smaller fields for its oil security. If small is not to mean marginal or plain uneconomic, industry must be given more encouragement to explore and develop. The luck of Claymore will not be repeated too many times.

R.D.

Industry hoping for revival in orders

[A]FTER more than two blank [y]ears hopes are now rising that [se]veral North Sea exploration [g]roups—perhaps as many as four—*will place orders for produc*[ti]on platforms in the next 18 [m]onths as a new phase of North [S]ea development begins to take [sh]ape.

This should help to boost the [fu]ture level of offshore business [w]hich is expected to fall to [ab]out £1bn. this year after [d]eclining from £1.2bn. in 1975 [a]nd £1.3bn. in 1974. But despite [th]e fall in overall business [Br]itish suppliers can take en[co]uragement from the fact that [th]ey are now securing a greater [sh]are of the business—at a time [th]at *the total market is falling* and their share is expected to [sh]ow a further improvement in [th]e coming 12 months.

The report from the Inter[na]tional Management and [En]gineering Group, which led [to] the setting up of the Offshore [Su]pplies Office in January 1973, [su]ggested that left to its own [re]sources British industry would [ob]tain perhaps 25 to 30 per cent. [of] the home market. But if [ap]propriate actions were taken [its] share could go up to 70 per [ce]nt.

The last report from OSO [sh]owed that U.K. companies [m]anaged to win 52 per cent. of [las]t year's offshore business in [th]e U.K. sector of the North [Se]a, compared with 40 per cent. [in] the previous year. The total [val]ue of orders placed by [op]*erators was about £1.185m., of* [wh]ich the U.K. won £613m.

[I]mproved

[L]ast year was one of con[sol]idation of the U.K. continen[tal] shelf and there was some [...] in the level *of forward* com[mit]ments. But the performance [of] the U.K. industry continued [to] improve and the OSO attaches [par]ticular importance to the [im]provements in the services [sec]tor where there is a signifi[can]t technical involvement. This [is] the *chief factor* in the [ove]rall improvement in the [U.K.]'s share of offshore business, [wit]h U.K. companies capturing [...]6m. of a £585m. market last [yea]r.

[T]here are some sectors of the [ma]rket where the U.K. still has [lit]tle or no capability, such as [exp]loration drilling, sub-sea [pip]e supply and laying and off[sho]re emplacement work. When [the]se are excluded from the [gen]eral performance the U.K. [las]t year pushed up its share [of] the market to 66 per cent., [com]pared with 55 per cent. in [197]4.

[O]n the capital goods side, where the U.K. took about 63 per cent. of total business, the main improvements came in process plant and equipment, pipe coating and fitting, wellhead and completion equipment and modules and other fabrications.

In the provision of services where the U.K. pushed up its share of the total from 29 per cent. of the market in 1974 to 41 per cent. in 1975, big jumps were shown in diving, cementing services and provision of drilling tools and equipment.

The long hiatus in platform ordering may well be broken towards the end of the year or at the beginning of 1977, when it is probable that Continental Oil will push ahead with a platform order for its Murchison field. Two yards, Hunterston and Portavadie, are still to receive their first orders, and work ran out this month at Laing's offshore yard at Graythorpe with the tow out of the £38m. platform for the Burmah Group's Thistle field.

The three other steel yards at Methil, Fife, Nigg Bay on the Cromarty Firth and Ardersier near Inverness have about another nine months' work on hand, but none of them have yet secured another order. The concrete platform yards at Loch Kishorn and Ardyne Point on the Firth of Clyde have completion dates stretching through to the end of 1977, but again have no more orders sealed. The picture is in sharp contrast to the prospects painted by the *Government policy paper* published two years ago, which foresaw the need for 80 platforms in the North Sea by 1980.

Recently Dr. Dickson Mabon, the Minister of State for Energy, told trade unions that the Government could see no definite platform orders being placed this year. But he suggested there was a reasonable possibility of orders for three or four production platforms being placed next year or in early 1978.

On the brighter side apart *from Conoco, Shell/Esso have* indicated they will soon be in a position to order another platform either for the Tern field or as an extension to the Cormorant field, and Texaco is undertaking further drilling around the present finds in the Tartan field. Production from this field would probably be fed into the pipeline from the Piper field to the terminal at Flotta in the Orkney Islands.

Another exploration group, Transworld, is hoping to start production from its Buchan field in 1978 and will probably adopt a production system similar to that used by the Hamilton Brothers Group on the Argyll field.

The signs are that the Transworld programme will opt for an early production system with a floating semi-submersible production platform. Oil would be pumped directly into tankers through a single point mooring buoy system.

But as the order books for the U.K. continental shelf have thinned it has become clear that U.K. companies seeking to expand their offshore activities will increasingly have to look outside U.K. waters.

The OSO believes that U.K. companies now have a proven track record in the offshore field with their engineering *capability* tested in the North Sea, one of the world's most rigorous environments. It is hoping that successful enterprises *will now* exploit this experience in the export markets.

Cavalcade

The export message will be pushed home in the next two years as the cavalcade of offshore services exhibitions reaches an unprecedented level of activity. In the next few months exhibitions are scheduled for Stavanger, London and Birmingham, and Aberdeen will play host to another major exhibition next year. Further ahead plans are being laid for conferences in 1978 in diverse centres from South America to South-East *Asia. The OSO has shown some* alarm at the sudden growth of the exhibitions circuit, but can call on no direct powers to create a more rational pattern.

There are prospects of increased activity for the offshore industry off Spain and *India and in the Aegean,* the Gulf and the Red Sea. According to Viscount Slim, the chairman of the advisory committee for the World Offshore Exhibition and Conference to be held in London in October, the new technologies that are being *developed by British companies* in the North Sea make it possible for them to capture a large share of this wealthy international business.

"It is imperative," he says, "that our country obtains a major part of this business and does not merely rely on the revenue from landed oil." The OSO reckon that about £5bn. is now being spent annually on world-wide offshore operations.

There is scope for British companies to go out and sell in the Far East, India, South America and Africa, and for the last five years BP has been involved in talks with the Russians on a whole range of possible projects to help exploit the oil and gas reserves under the Caspian Sea.

BP has also held talks with a number of other countries, including Brazil, about the sale of technology and equipment developed in Britain to overcome the extremely difficult drilling and operating conditions in the North Sea.

One of the next major phases of North Sea offshore activity may well be sparked off by the Government's ambitious plans for a gas gathering system to collect the vast supplies of gas that are being produced along with oil.

A £1.6bn. network of gas *pipelines linking* many of the North Sea oilfields was suggested earlier this year by a study commissioned for the *Department of Energy, which* is now carrying out design and feasibility studies.

The system envisages an 800-*mile network, of which 550* miles would require pipes of 24-inch diameter or above. Such pipes are currently outside the scope of the British Steel Corporation, but it is actively considering what capital expenditure would be needed to get into this field. Consideration is also being given by several investment groups to bringing together consortia of companies that might be able to bid for a joint pipeline venture. Involvement by the British National Oil Corporation and British Gas would be essen*tial in any such joint venture.* This was spelled out by Dr. Mabon, when the report was published.

The pause in the placing of orders for new production platforms in the U.K. has clearly caused the total of offshore *business to decline in its wake,* but more optimistic predictions for the market are now coming from various quarters.

A recent North Sea Marine Construction Survey of the years up to 1980, prepared by Smith, Barney, Harris Upham, looks *outside the immediate U.K.* and Norwegian sectors. It says: "An extensive analysis of offshore activity in the Netherlands, West Germany, Denmark, France and Ireland leads us to conclude that a significant increase in development work is likely to take place in these areas in 1977.

"The bubble of potentially developable fields is expanding. Just when the bubble will burst and new commitments resume, is difficult to say, although we *believe events are moving much* closer to this point."

Kevin Done

CLAYMORE FIELD IV

Pipeline access a key facility

THE DEVELOPMENT of oilfields in the deep and hostile waters of the North Sea have presented many novel and formidable challenges. Some offshore groups with smaller finds, like Hamilton Brothers' Argyll and Shell/Esso's Auk, have been content to instal offshore loading systems so that tankers can collect crude directly from the fields. Although capital costs can be contained, output is restricted by tanker operations and, sometimes, by weather conditions.

For large fields, a pipeline system is almost obligatory if a high production rate is to be maintained. This, in itself, is crucial if operators are to recover the massive development costs.

So the developers of the Norwegian Ekofisk Field have built a pipeline to Teesside (the sub-sea Norwegian Trench prevented the line being built to the Norwegian mainland). The British Petroleum and Chevron groups are to use a £200m. pipeline to land Ninian crude: Shell/Esso have built a pipeline to carry Brent oil; and the Occidental Group have laid a line to transport crude from its Piper Field to the Orkney Islands.

Fortunate are the companies *with smaller, possibly marginal fields, which find themselves* in a position to tap into an existing pipeline passing nearby. Earlier this month Union Oil, the Heather Field operator, announced it was to take a stake in the Ninian pipeline. The Occidental Group is able to utilise its Piper pipeline to carry oil from the Claymore Field.

Example

It can be argued that but for the existence of the Piper pipeline, the Claymore Field might never have been developed. It is another example illustrating the way that Claymore — theoretically a commercially marginal find—is going ahead on the back of Piper.

A 30-inch submarine pipeline was laid between the Piper Field and the oil-receiving terminal on Flotta Island, in Orkney, throughout 1974 and 1975. The 130-mile line has a design capacity of 560,000 barrels per day. Given Piper's anticipated maximum output of around 250.000 barrels per day there is clearly plenty of spare capacity to handle Claymore's output of up to 150,000 barrels per day.

Fortunately for the Occidental Group, Piper and Claymore are very close together and it took only 7.6 miles of 30-inch pipeline to link the two. During the main pipelaying operation two lay barges were used, one by J. Ray McDermott, which worked out from Flotta, and the other by Brown and Root, which worked in the other direction from Piper.

In view of the spare capacity which still exists in the pipeline, it is possible that Texaco will be seeking a stake in the system, should it decide to develop its Tartan Field and other finds in quadrants 14 and 15.

The Piper and Claymore pipelines account for about 22 per cent. of the total development cost of the two fields; some $239m. out of a total $1.097m. based on the last published figures, although the total cost is now probably nearer $1.2bn.

Piper's share of the pipeline costs is put at $160m., with Claymore's around $80m.

Coincidentally, the total cost of the shore terminal at Flotta works out at the same as for pipelines: $239m. The terminal, virtually ready to accept crude from Piper, will create permanent employment for about 150 people. Occidental has made it clear that Orcadians will be employed to the maximum practical extent—an important point for the people of Flotta see the employment prospects as a means of halting the drift away from the island.

Inevitably problems have arisen; they are bound to when you set down a major industrial complex in an isolated rural area. On the whole, however, the Orkney Isles Council seems to have adopted a more amenable attitude to oil development than its counterpart in the Shetland Islands where the Sullom Voe terminal is being built to handle oil through the Brent and Ninian systems.

The Flotta development has undoubtedly been aided by the relatively few oil industry interested parties. The Occidental consortium comprises just four companies; there are around 30 involved in the Sullom Voe project. That is a large juggernaut to manoeuvre around tricky obstacles.

The Orkney terminal was originally designed with five storage tanks, each with a capacity of 500 000 barrels. All of the 48 foot high tanks have been cleverly landscaped into the coastal hillside. If the terminal had been built on nearby Hoy, the local authority might well have demanded underground storage to protect the environment—a demand initially made at Sullom Voe by the Shetland council although it was dropped as part of a compromise package.

Occidental plans to erect two further tanks, each with a capacity of 1m. barrels, to accommodate Claymore Field crude. Site preparation and the original tanks bases were completed by JMJ Contractors while the five tanks now erected were constructed by Motherwell Bridge.

The terminal also features a gas-oil separator plant, a gas liquefaction plant and ballast cleaning and disposal works. The gas separator plant will be able to handle 22m. cubic feet a day, much of which will be liquefied for shipment, with most of the remainder being used to fuel the terminal electricity generators.

In the absence of a refinery at Flotta, the treated crude oil will be loaded from single point moorings in Scapa Flow, two miles from the shore, at a rate of up to 160,000 barrels a day. Historic Scapa Flow provides an ideal deepwater anchorage, because since the construction of the Churchill Barriers during World War II the inlet has become virtually a salt water inland sea.

One of the detailed reports on the environmental aspects of the Flotta development points out that Scapa Flow is also relatively free from fog, with sufficient water depth to permit all-year-round access by tankers of up to 200,000 deadweight tons. The report adds that the Flotta terminal is distinct in that there is only one transfer operation involved from storage to tankers. At other terminals, like Bantry Bay in Ireland, there is a double handling operation whereby the oil arrives in large tankers, is transferred to storage and then is transferred back into smaller tankers for shipment to refineries.

This single transfer operation —common in the Middle East— is one with which the U.K. should become increasingly familiar as North Sea oil exploitation develops. The Sullom Voe terminal will work on a similar principle.

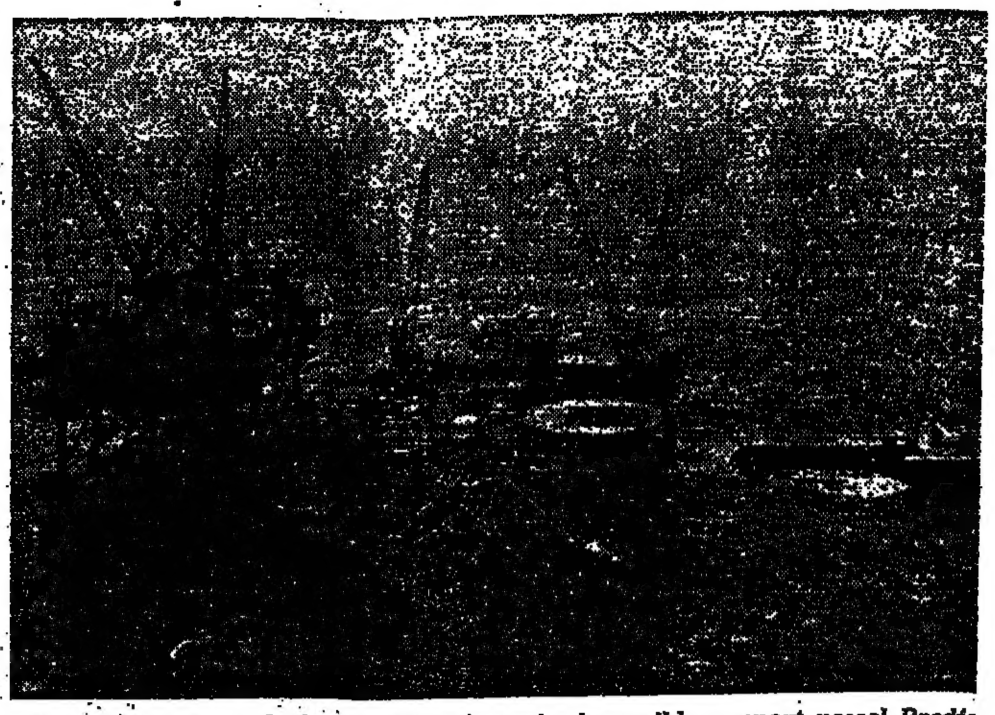
It will be interesting to see which council — Orkneys or Shetlands—attracts the development of the next terminal. There is considerable industry speculation, for instance, that a pipeline and terminal will be needed to develop Pan Ocean's Brae Field and perhaps nearby oil finds. In terms of distance to shore, there is little to choose between the Orkneys, the Shetlands or, for that matter, the Scottish mainland around Peterhead.

Both sets of islands are seeking oil involvement to boost revenue. They see this as an ideal opportunity to lay the foundations for rejuvenated but long-term island development. The Shetlands have outline plans for several more pipelines; the Orkneys have made provision for two or possibly three more terminals.

Until recently the oil industry seemed less than enthusiastic to return to the Shetlands with more investment. Some companies had made provisions for installing offshore loading systems to by-pass the Sullom Voe terminal, so serious was their concern about delays. Flotta, on the other hand, was progressing without undue controversy or delay. The dispute which was holding up Sullom Voe has now been settled, however. Furthermore, the Shetland Islands Council's hard bargaining chief executive, Mr. Ian Clark, is leaving to become a full-time director of the British National Oil Corporation.

Lessons have been learned from the developments at both Flotta and Sullom Voe. As with other aspects of the North Sea learning curve, the next terminal—wherever it is built —should be an easier project.

R.D.



The nearby Piper platform, with the semi-submersible support vessel Bredfo Dolphin alongside

Oil density among the heaviest

THERE IS an oilfield in Venezuela which produces 9½° API crude oil—oil so thick and heavy that it is like treacle. There is another oilfield not far away, in Bolivia, which produces 57° API crude, a very light oil. These are extreme examples of heavy and light oil, as measured by the calculation, based on specific gravity, that the American Petroleum Institute developed.

General worldwide demand for crude oil is in the region of 34° API, that is a medium density oil. Oil in the North Sea is generally regarded as light, by international standards, but there is a fairly broad range of density nonetheless. Ekofisk oil, for example, is the lightest produced in the North Sea, at 40° API. The Claymore and Argyll fields produce some of the heaviest oil, at 30° API.

However, the rock characteristics in the North Sea are so similar on all the known oilfields that the 10° difference between Claymore oil and Ekofisk oil is to all intents and purposes irrelevant from the point of view of production.

The density of a crude oil is not by any means the only factor that has to be taken into account when deciding whether or not to exploit a reservoir. There are also considerations of rock porosity, the permeability of the country rock, and the existence or otherwise of associated natural gas.

In Claymore's case, Occidental could hardly have chosen two fields more unalike, within the confined limits of difference between North Sea oilfields. At 37° API, Piper produces some of the lightest oil in the North Sea. But there are many other differences more important than the range between the densities of the two fields.

In Piper, Occidental was particularly lucky. The field structure, in Jurassic sandstone, is an uncomplicated reservoir, producing low sulphur light crude from two zones at a depth of just over 7,500 feet. There is sufficient associated gas to make production fairly simple, with no need for supplementary techniques other than gas injection at this stage. A conservative estimate puts recoverable reserves at about 650m. barrels, assuming 40 per cent. recovery, and a life of at least 20 years.

Claymore is very different. To start with, the structure of the field is badly faulted, creating at least three major reservoirs and possibly more. The effect of some types of fault cannot be fully determined until the field is producing.

The oil sands, also Jurassic, are deeper than Piper, at about 8,000 feet, and recoverable reserves are estimated at about 356m. barrels—a quantity which under normal circumstances would have been considered marginal. On top of that, the oil is heavier than Piper—the heaviest in the North Sea in fact.

Nor is there sufficient associated gas to facilitate extraction as normally done, by using the gas as a pressure and lifting agent. To add to all this, the Jurassic sands in the Claymore reservoir are less porous and less permeable than the sandstone formation on Piper. In fairness, these comparisons make Claymore look particularly poor, whereas in fact it is Piper which is particularly good.

The final decision to exploit Claymore hinged on Piper in several respects. The Piper-to-Flotta pipeline was a crucial factor. It meant that Claymore oil could be brought ashore by the fairly simple and relatively inexpensive addition of a £20m. nine-mile spur pipeline from the Claymore jacket to the Piper/Flotta line. However, to that must be added the extra cost of providing onshore facilities at Flotta, a £40m. extension to the terminal.

But Piper also plays a part in the actual production from Claymore. Piper has substantial quantities of associated gas, sufficient to lift its own oil, and at the same time serve a 17-mile 16-inch pipeline to Claymore, where it is injected into the Claymore reservoir to increase pressure and help raise the oil there. Occidental will also be using a gas lifting tech on Claymore that it wi need on Piper. It injec into the bottom of the c of rising oil, giving it an boost.

Occidental freely admit Claymore would have impossible to exploit w Piper. With Piper, i become what is potenti highly successful ope On its start-up early nex (dictated not by o activities now but by the with which the onshore te facilities can be complet will hold the record fc fastest development time field in the North Sea.

By a curious twist of what Piper has in geo near-perfection Claymon had in its developmen gramme. It needs no equipment to get it on s in spite of all the problen seem to be associated w All it needs is its neig the Piper Field.

Rodney S

Constructing the platform

WHEN Occidental took the decision to develop the Claymore Field, it lost no time in putting the order for a jacket up for tender. This was in 1974, more than a year before the Energy Department, through the Offshore Services Office, developed its Memorandum of Understanding and Code of Practice with the U.K. Offshore Operators Association —the policy which ensured "a full and fair opportunity" for British industry to compete for orders in the U.K. offshore market.

When the tenders were received, Occidental selected the Cherbourg-based Union Industrielle d'Entreprise (UIE) yard, on the sound commercial basis that "evaluation of tenders indicated that placement of the order with UIE was to the group's best advantage, especially in relation to price and schedule."

Occidental had had bad luck with the similar design of jacket it had ordered for the Piper Field. Built by McDermotts at Ardersier, near Inverness, it was a year behind schedule.

UIE fulfilled Occidental's best hopes. The jacket was placed on site in the field on June 21 last, and the piling operation has already been completed. This was no mean achievement. Although of the same conventional steel jacket design as the one built for Piper, the Claymore jacket had to be substantially larger, standing in 474 feet of water against 360 on Piper. So it weighed a formidable 12,000 tonnes, and cost about $90m. to build.

The piling operation, too, was a major success in its own right. It was completed in record time —less than a month—and well ahead of schedule. Occidental used a massive Mark 800 piling barge to do the job, the biggest craft ever used to pile a jacket in the North Sea.

The piling of the Piper jacket, by comparison, was far more complex, involving inserting the piles by drilling them in, an operation which took nearly a year to complete.

When Occidental placed the Claymore jacket order, work diversification was very much the name of the game. So the contracts and sub-contracts were spread around liberally. Matthew Hall Engineering handled all those for the modules and they went to British yards. British yards still had a hand in the platform, as the tubular steel sections for the jacket came from McDermotts at Ardersier, Highland Fabricators at Nigg Bay, and Redpath Dorman Long's Scunthorpe yard. RDL's fabrication yard at Methil in Fife, won the contract to build the complex deck support frame for the UIE jacket.

The platform yards, as the men in the module industry say, only build the legs for the television set—the module builders make the televisions themselves. Module is perhaps an ill-chosen word to describe the separate but equally technically advanced structures that fit on top of the deck which fits on top of the jacket.

The production modules for Claymore (there are four) are being built at William Press Production Systems' Howdon yard at Newcastle.

Matthew Hall Engineering was awarded the contract to engineer, procure and build the modules. As project designers, it selected the William Press subsidiary to build the production modules. The modules are similar in appearance, though they house different equipment, and vary in weight from 1,500 to 2,000 tonnes. This makes them the heaviest modules yet to be installed on the U.K. Continental Shelf. Their average size is 180 feet long by 50 feet wide and 28 feet high.

As has happened so often in the short history of North Sea development, the original design for the modules was inadequate. They have grown considerably heavier as they have been developed. Three of the four modules are now loaded out—that is, they have been loaded onto barges and are ready to be towed out to the Claymore field where they will be loaded onto the deck support frame, already in place, as soon as Occidental, and the weather, are ready.

Loaded

Like everything else on Claymore so far, there has been no major hitch yet, and they have been completed on schedule. The last module should be loaded out this week. They will have cost Occidental £36m.

These modules will be the main reason for the existence of the jacket itself. They contain the equipment which will actually do the oil exploration. The jacket is only there to keep them from getting wet.

The "A" module contains the equipment necessary for the actual drilling and water treatment operation.

The B module holds the separation plant and the main pumps. The "C" module houses the compression and fuel gas equipment, and the "D" module carries the generators that will provide the power needed by this tiny tin town in the sea when it becomes fully operational. It also holds the brain for the platform, the control room from which all on-board functions are controlled. When they are placed on the jacket, they will lie side by side, becoming in effect a 28 feet high, 180 feet wide, 200 feet long factory.

William Press is proud of the facilities it has at Newcastle. One of the most unusual features of the Howdon yard is the criss-cross grid that covers the 400 feet by 360 feet reinforced concrete slab that is the main assembly area. The grid, steel runners at 10 feet intervals, is fitted with PTFE strips, so that structures can be mounted on it and moved about the assembly area from one site to another. PTFE is best known under the trade name "Teflon," the material commonly used on saucepans and other kitchen utensils to make them "non-stick." There are also two large fabrications buildings on the site, similarly mounted, which can be moved from one area to another.

WPPS is still vigorously employed on North Sea business. It has sufficient work on hand to keep its 700 staff busy until the spring. It hopes it will be able to produce new orders before then.

The possibilities for diversification in the module business are better than for platform builders, because modules are basically a branch of another fairly recent technology. They are really an extension of the containerisation business, except that they provide packaged plant and equipment rather than goods and materials. WPPS is only one of several module yards which are actively seeking diversified work in the form of orders for plant and equipment that has to be sited on coastal locations.

Examples include desalination plants, power generators, compressors, and small refinery plants. There is little doubt that William Press wants its offshore subsidiary to continue its operations. WPPS showed a loss of £1.8m. in the group accounts in 1973, but since then it has become profitable in its own right, and now contributes to overall group earnings.

Apart from the crucial production modules on Claymore, there are two other sub-modules, D/A and D/B, which carry the fire-fighting equipment, the communication rooms, the laboratories and the living quarters. This contract went to another Redpath Dorman Long subsidiary, at its Middlesbrough yard on Teesside. These will be floated out to the platform for hook up after the production modules have been placed.

Weather permitting, and this is of growing importance as the fair weather window deteriorates Claymore will have all the major structures fitted and be ready for production start up early next year.

When it is complete, the Claymore package will have cost Occidental £265m. Of this, the platform and the spur line to the Piper/Flotta pipeline will have cost £175m.

Occidental estimates that 56 per cent. in value of all orders for Claymore will have gone to British companies—a figure very close to the Government's estimates of British industrial involvement in the U.K. offshore. It remains to be seen if those companies which have made Claymore happen; RDL and William Press among them, can attract sufficient new orders, in the North Sea or elsewhere, to build up a substantial stake in the world market.

R.S.

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HOME NEWS

Call for export bank to have wider powers

BY JOHN HUNT

DOUBTS about the European Commission's proposals for a European export bank are expressed in a report published yesterday by the Commons Select Committee which examines secondary European legislation.

The idea of the bank is that it should provide consortia of European companies with finance and credit insurance so they can compete with the large operations mounted by the Import-Export Bank in Washington and the Import-Export Bank of Japan.

The committee heard evidence from the Treasury, the Bank of England, the British Bankers Association, the Confederation of British Industry and the Export Credits Guarantee Department.

'Inadequate'

Although there was a general opinion that there was a need for such a mechanism in the Community there was considerable doubt whether a European Export Bank on the lines suggested would match the need. There was no concensus on the way forward.

"The proposed export bank is evidently inadequate in some respects. To compete effectively with its counterparts in America and Japan it would need wider and greater powers," the committee said.

The Treasury told the committee creation of the bank would not necessarily solve the underlying problems which it would have to face. It thought further detailed study was needed.

The British Bankers Association said if an export bank could meet the needs of harmonising credit insurance there would be no need for it to provide finance also.

The CBI said the bank should embrace financing and credit insurance for multi-national and multi-currency operations and should give full cover against exchange risks.

The committee said if the bank had broader powers it would get a wider measure of support in the U.K.

It urged further consideration by the Commons but warned that swift action was necessary. Opportunities for important contracts might be lost because the means for effective competition by European firms do not exist.

Caledonian seeks more flights to Paris

By Michael Donne, Aerospace Correspondent

BRITISH CALEDONIAN Airways, the independent flag airline, is seeking an increase in the number of flights it can make each week between London, Gatwick and Paris.

It has applied to the Civil Aviation Authority for permission to make 37 each way every week, representing 3,700 seats each way, compared with the present 30 flights each way (2,800 seats each way).

The authority will consider the application on September 22. The request results from increased demand for Gatwick flights.

Mr. Ian Ritchie, external affairs director of Caledonian, says that this demand demonstrates that the "catchment area" for traffic using Gatwick is far different from Heathrow's. Many people who live in the South-East found it more convenient to use Gatwick than Heathrow.

Caledonian has also announced that it plans to start scheduled services on the new routes between Gatwick and Caracas, Lima and Bogota on October 26.

Labour campaigners against devolution make confused start

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE CAMPAIGN by Labour backbenchers against the Government's devolution policy got off to a shaky and confused start yesterday.

One of its leaders, Mr. Tam Dalyell, MP for West Lothian, said he had no idea what was happening. He disapproved of a formal campaign and preferred a loose grouping of MPs.

He tried without success yesterday to contact Mr. Eric Moonman, MP for Basildon, who announced on Sunday that the campaign, styled "Labour against assemblies," would be launched yesterday.

Mr. Dalyell was under the impression that the campaign was due to start at a meeting under his chairmanship and convened on his initiative in Blackpool on September 26, the eve of the Labour Party conference.

He had seen no drafts of leaflets or any other information that was to be sent to constituency Labour parties.

Mr. Dalyell praised Mr. Moonman and Dr. Colin Phipps, MP for Dudley West, for making devolution a "crunch issue" in English constituencies. Letting the Government know their feelings well in advance was the honourable thing for MPs to do.

The campaign had to remain informal, though, with MPs expressing their personal views, as they were against devolution in the form proposed by the Government for a variety of different reasons.

"This is a much more complex issue than the Common Market debate. A lot of people stood on the sidelines in that debate.

"But because the United Kingdom is at stake in this issue, there cannot be these sidelines. Hiving off Scotland is a more immediate issue, because there are so many Scots living in England," said Mr. Dalyell.

Mr. Eric Heffer, MP for Liverpool Walton and a former Industry Minister, although not a member of Mr. Moonman's group, will speak in a personal capacity at the pre-conference rally in Blackpool. He is expected to propose an amendment to the Government's Bill requiring a referendum in England, Scotland and Wales, on the principle of devolution and the unity of the U.K. before the Bill can become law.

Quarter of Halifax loans are for pre-1919 houses

BY QUENTIN GUIRDHAM

AFTER RECENT comment on the reluctance of building societies to advance loans on older property, the largest society, the Halifax, yesterday emphasised that 24 per cent. of its advances in the first half of the year were on homes built before 1919.

During the six months to July 31, the society lent £593.4m., another substantial increase from the £522.3m. in the six months to January and the £430.6m. in the six-months to July 31 last year.

Of the new money advanced, £569.3m. went on 69,000 new mortgages and £24.1m. on 18,200 loans to existing borrowers for home improvements. During the six months to July, assets of the Halifax increased by £459m. to £5.036bn.

As well as stressing its loans on older homes, the Halifax said that 24 per cent. of its loans were to people aged 25 or younger.

Receipts

Receipts from investing shareholders and depositors in the half-year, including £136.4m. interest credited to accounts and not withdrawn, amounted to £1.175bn. Withdrawals during the same period amounted to £724.8m.

The net investment inflow was £450.4m.

MPs want full study of EEC milk plan

BY JOHN HUNT

THE COMMITTEE of MPs which scrutinises European secondary legislation is demanding that no action should be taken on the EEC Commission's programme for radical changes in milk marketing until the House of Commons has had a chance to consider the proposals fully.

The controversial scheme for progressive achievement of a balance in milk marketing envisages premiums being paid to dairy farmers who stop marketing milk or convert to beef or sheep production.

It will also mean the suspension of most national and Community aid to investment in the milk sector and the introduction of a levy on all milk supplied to dairies and on direct sales of dairy products from farms.

In a report published yesterday, the Commons Select Committee on European secondary legislation complains that it received the two instruments on the scheme only shortly before the start of the Parliamentary recess. It describes the proposals as wide-ranging and contentious.

"The committee believes it is important that no decisions should be reached by the Council of Ministers on any of the proposals in the programme before the House has had an opportunity of discussing them," the report states.

The committee believes the proposals raise questions of political importance. As soon as possible after the recess, it will seek evidence on the scheme from farming, trade and consumer interests and publish a further report.

APPOINTMENTS

Senior changes in Bowater group

Mr. B. H. A. Ball is to become managing director of BOWATER PACKAGING on October 1. In July, 1977, he will take over the chairmanship and hold both positions. As chairman, Mr. Ball will be succeeding Mr. Frank Hayes, who is to retire. Mr. J. L. C. Mott, general manager of the foil and paper products division will become managing director of Bowater Consumer Packaging in place of Mr. Ball from October 1. Mr. Mott is to join the Board of Bowater Packaging.

★

Mr. John Ullman has been appointed to the Board of BRITISH ANZANI. He is managing director of the group's subsidiary, Town and District Properties. Mr. Ullman has also become managing director of IMM Port Developments, another member of the group.

★

Mr. Roger Wake has become non-executive chairman of CARPETS INTERNATIONAL following the death of Mr. W. P. W. Anderson in South Africa.

★

Mr. C. Townsend, a senior executive of NATIONAL WESTMINSTER BANK'S related banking services division, has been appointed deputy general manager of the division, succeeding Mr. G. P. L. Pickering who retires on January 31.

★

Mr. Bill Thornley has been appointed operations director of ERNEST SCRAGG & SONS (HOLDINGS), a division of Stone-Platt Industries. He will be responsible for manufacturing and supply.

★

Mr. J. Martin has been appointed company secretary of N. BROWN INVESTMENTS and Mr. R. J. Kenyon continues as financial director.

★

Mr. Chandra Brahmi has been appointed to the Board of the MORAN TEA COMPANY, a subsidiary of Moran Tea Holdings.

★

Mr. John Houghton has been appointed to the Board of AULT & WIBORG GROUP and chief executive of the group's inks division.

★

Mr. Clifford R. Meyer has been appointed chairman of CINCINNATI MILACRON LIMITED of the U.K. He is also vice-president of the U.S. parent company Cincinnati Milacron Incorporated and is a former managing director of the British subsidiary. Mr Meyer succeeds Sir John Beim, who has retired.

★

Mr. Tony Cooper, formerly managing director of CHANNEL-FLOW FREIGHT SERVICES, has become managing director of INTEROUTE, which is now wholly owned by F. C. Bennett and Sons. Previously the Interoute shareholding had been split between Bennett's and Investment Lusitania, a private company formed by Mr. John Marriott and Mr. Tim Bergqvist. Mr. Marriott has resigned as Interoute's managing director to concentrate on his Portuguese property interests. Mr. Bergqvist remains on the Interoute Board as continental director.

★

Mr. J. D. Parson has been appointed a director and general manager on the Board of GARRARD ENGINEERING from September 1. He is joining the company from Rank Radio, Plymouth.

★

Mr. T. E. Jones has been appointed a director and a general manager by BARCLAYS BANK OF ZAMBIA. Previously he was the Northern Area manager of Barclays Bank of Nigeria in Kano.

★

Dr. Richard B. Arnold has been appointed director of the ASSOCIATION OF THE BRITISH PHARMACEUTICAL INDUSTRY in succession to Mr. E. B. Teesdale, who retires at the end of the year. Dr. Arnold is at present commercial manager of May and Baker's pharmaceutical division.

★

Dr. Terence J. Gooding, president of Kratos, of the U.S., has been appointed chairman of INSTEM in the U.K. The former chairman, Mr. R. K. Hamilton of ICFC, remains a director of Instem. Also appointed to the Board is Mr. J. Emmet Judge, a director of Kratos.

★

Mr. H. M. Morgan will join the Board of WESTERN MINING CORPORATION as executive director from September 1. He will be responsible to the managing director for business and commercial activities.

★

Mr. H. M. Morgan, director, marketing and finance, has resigned from the Board of NORTH BROKEN HILL. Mr. J. B. Finlay, manager, Broken Hill, has accepted an invitation to join the Board.

★

Yeoh Chin Hin and Y. M. Tengku Robert Hamzah (directors of Kuala Lumpur Kepong Bhd.) have been appointed to the Board of HIGHLANDS AND LOWLANDS BERHAD.

★

Mr. A. K. G. Gilbertson, Mr. W. Adamson, Mr. A. G. Shanks and Mr. A. R. Muir have been appointed directors of SHANKS AND McEWAN. Mr. Gilbertson also becomes chairman and managing director of Shanks and McEwan (England). Mr. Adamson takes over a similar position with Shanks and McEwan (Contractors), and Mr. Muir becomes director and secretary of the latter company.

LABOUR NEWS

NGA blacking will bring 'summary dismissal'

BY ALAN PIKE, LABOUR STAFF

MEMBERS of the National Graphical Association were told yesterday by the British Printing Industries Federation that they would risk summary dismissal if they went ahead with a ban on work from non-union sources.

The federation represents companies in the general printing sector. It said the union's proposed action would "simply drive customers to other means of reproduction, including non-union firms and foreign printers."

Delegates to the NGA conference earlier this summer instructed union leaders to impose a ban on work coming from "unrecognised" sources. This will come into effect on Monday. The federation and the Newspaper Society have said it is likely to cause serious disruption.

The main effect on newspapers will be on advertising material. NGA members will be instructed not to handle material submitted for platemaking or printing if typesetting or other preliminary work has been carried out by non-union members.

Confusion

As much as 10 per cent. of work in the book field is likely to be affected. Confusion is likely to arise over material of obscure origin, where there is no easy way of telling whether it has been produced by union labour.

The federation said yesterday: "Customers supply certain work, including, for example, computer print-outs and work from abroad, in a form ready for platemaking. It is not necessary for further origination work to be carried out in the prin[ting] firms concerned.

"This work is processed [by] NGA members and helps to [pro]vide employment for them [and] for members of other unions.

The ban was "unacceptab[le] to both the Federation and [the] Newspaper Society. It w[ill] cause widespread disruption [and] instead of bringing more w[ork] would have the opposite effe[ct].

"Although there is unem[ploy]ment among compositors [it is] well below the national ave[rage] and it is due to the reces[sion] affecting the country as a wh[ole]."

● NGA members in Fleet St[reet] last night started blacking copy from three news agenci[es]—the Press Association, Re[uters] and Exchange Telegraph—[in a] dispute over the continued [em]ployment by the agencie[s of] men who are no longer mem[bers] of the union.

Newsmen ordered not to pose as public

THE NATIONAL Union of Journalists executive is instructing its members to stop making calls to radio phone-in programmes or writing letters to newspapers which purport to come from members of the public.

The instruction follows the dismissal from BBC Radio London of Mr. Denis MacShane, himself a member of the executive, after making a remark about Mr. Reginald Maudling while telephoning one of the station's programmes posing as a listener. He was instructed to make the call by a producer.

The BBC has offered to reinstate Mr. MacShane for six months; during this time he must find a new post in the corporation.

The NUJ yesterday gave seven days' strike notice on behalf of more than 70 members employed on the Northamptonshire Evening Telegraph, the News Echo in Wellingborough and the Harborough Mail. At the same time the journalists began imposing sanctions in support of a demand for a new house agreement including an NUJ closed shop clause.

Northamptonshire Newspapers, part of the East Midlands Allied Press group, refuses to concede the closed shop, although the NUJ says that it already has 100 per cent. membership on the newspapers. The management says that there is a single member of the Institute of Journalists but the NUJ claims he is no longer employed on journalistic duties.

NUJ officials stressed yesterday that the closed shop demand formed only one element of the disputed house agreement. Members are also objecting to a management proposal that it should run for three years instead of 12 months.

Employers may hel[p] seamen hold ballot

BY CHRISTIAN TYLER AND JOHN WYLES

SHIPPING companies will be advised by their association to help the National Union of Seamen organise its first ballot ever on industrial action.

Without such help the union would find it very difficult to canvass the views of about three-quarters of its members who are on board ships all over the world at any one time. Members working at home ports or on leave will fill in ballot papers at their local union offices.

The General Council of British Shipping said yesterday that there was no reason why secret ship-board ballots should not be fairly conducted even if masters of vessels were involved in conveying the radio message from the union that will go out with the help of employers.

But a number of leading shipping companies yesterday were considering whether to send communications of their own to vessels.

The 38,000 seamen are being asked by their national executive whether they want to take industrial action of the executive's choosing in pursuit of a £8 pay claim which both the TUC [and] the Government have ruled [can]not be met without brea[ching] the pay policy.

Ballot preparations bega[n at] the union's headquarters [in] Clapham, South London, y[ester]day after Friday's exec[utive] decision. Ballot papers [...] results wired from the ship[s ...] be counted on September 3[...].

Hopes are high at the Ge[neral] Council of British Shipping [that] the men will vote against t[he] action: the union executiv[e it]self has made no recomm[enda]tion.

Squash strike

FIFTY furnacemen at Ra[...] Sims and Jefferies Ip[swich] staged a 24-hour strike yes[terday] in a row over the suppl[y of] chilled orange juice, whi[ch is] supplied free when tempera[tures] rise above 80 deg. in the [fur]nace department.

The men want a re[gular] supply of orange juice an[d] that when management [...] on the issue, they decid[ed to] strike.

Strike halts Young Vic and National Theatre

PERFORMANCES at the new National Theatre on London's South Bank were cancelled yesterday, after an unofficial strike.

About 60 stage hands, prop men and electricians walked out over a dispute about rehearsal payments.

Performances at the Young Vic theatre nearby—where the National Theatre Company is staging another production—were also cancelled.

The strike decision was [taken] by a majority of the stage [...] during the afternoon, desp[ite a] unanimous ruling by an [inde]pendent conciliation panel [last] week that they should con[tinue] to work during negotiation[s].

The men feel their p[...] agreement with the National [does] not make adequate financia[l pro]vision for working on rehea[rsals] in the Olivier Theatre — o[ne of] the two auditoria in the building — during perform[ances] in the Lyttleton Theatre.

Wage blitz a sham—inspectors

BY IAN HARGREAVES, LABOUR STAFF

A CAMPAIGN for stricter policing of statutory pay levels set by wages councils which cover 3.3m. workers was launched yesterday by the Society of Civil and Public Servants and the Low Pay Unit.

The society, which represents Britain's 182 Department of Employment wages inspectors, and the unit, an independently financed research organisation, said the Government's recently announced blitz on employers who evaded wages council rulings was a sham.

Mr. Steve Winyard, a spokesman for the unit, said yesterday: "It's not a blitz, it's just like a couple of custard tarts being thrown." Mr. Gerry Gillman, the society's general secretary, described it as window dressing. They said the blitz simply involved inspectors concentrating their efforts on particular localities, at the expense of making visits elsewhere.

The union said only by increasing the number of wages inspectors could the situation be improved. It has tabled an amendment to a resolution for next month's TUC Congress to that effect.

It was pointed out that the low paid would further be harmed by the Government's proposal to limit the coverage of Section 95 of the Employment Protection Act—which sets out powers to get information from wages council industries—as part of its spending cuts.

The campaign is calling for the restoration of 30 inspectorate jobs phased out in 1973 and the spending of an additional £1m. a year to lift the inspection rate to 15 per cent. of firms.

It was said yesterday that last year for the first time the number of routine inspections [fell] below 7½ per cent. — a [level] deemed appropriate by the [...].

Mr. Tony Nicholson, [the] society's officer responsible [for] staff at the Department of [Em]ployment, said the TUC [had] failed to press on the Go[vern]ment to stick to the terms o[f the] Employment Protection Ac[t on] wages councils.

The campaigners said the [num]ber of employers who unde[rpay] wages council guidelines [has] grown alarmingly in the pas[t ...] years.

In 1971 one in every seven [em]ployers inspected was requ[ired] to pay arrears of wages. [Last] year the proportion was al[most] one-third. They estimated [that] if a thorough inspection had [been] made last year £4m. of u[nder]payment would have been [re]vealed, against the actual fi[gure] of £580,000

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The Management Page

EDITED BY JOHN ELLIOTT

Plans exist to run British Shipbuilders with a small central head office, devolving power to the shipyards. JOHN WYLES reports

Bid to avoid nationalised bureaucracy

XT MONTH the managing ectors of 39 shipbuilding, repairing and marine ine building companies will nvited to comment on a *plan* reak away from the central- l type of organisation which been the characteristic icture of most of Britain's *onalised industries.* Assum- the success of current slation the companies are e which will form British builders whose directors full Government backing a bid to create a decen- ised flexible structure. This ld contrast strongly with organisations which admini- the steel, rail and coal ustries.

etails of the British Ship- der's blueprint are still er wraps, but it will conform a philosophy which has ady been endorsed by all ctly concerned. For differ- reasons, the companies, the ernment, and Whitehall, as as the members of the *nising committee* who are architects of British Ship- ders, are all deeply com- ed to a structure headed by "holding company" with rall responsibility for the irs of a collection of semi- nomous units. In the same those planning aircraft onalisation are also aiming a devolved structure.

Autonomy

here are however a number sceptics within the ship- ding industry who believe proposed structure desir- but doubt whether the tral organisation will be able resist a combination of pres- es which could erode the onomy of the individual ts. Nevertheless, the organ- g committee, headed by its irman, Admiral Sir Anthony ffin, deputy chairman Mr. Griffin, and chief executive J. Graham Day will be seek- the approval first of the naging directors, and then of Eric Varley, the Industry retary, for a blueprint. This define shipbuilding, ship- airing and marine engine lding as a number of "profit tres" *(or "strategic business its"*—the name has yet to be ided) which will have large asures of operational inde- dence within the framework of a corporate plan.

How the pack of 39 companies is then shuffled remains to be seen but a profit centre will either be an individual company or a group of companies, depending on the criteria finally adopted. Shiprepairing companies may find themselves grouped into profit centres according to their location while the marine engine builders, five in all, could conceivably form one profit centre.

The traditional warship builders — Vickers, Vosper Thorneycroft and Yarrow — are keen to be administratively separate from the merchant *shipyards. But they may not* be treated as one single profit centre because of their size *and the complicating factor* of Swan Hunter which has a substantial merchant and warship order book. Swan Hunter, along with the other major merchant shipyards, looks more likely to be treated as a single profit centres.

Once defined, profit centres will be expected to draw up annual production and budget plans incorporating detailed targets and to report regularly on their performance in relation to these targets. Clearly relations between the profit centres and the head office organisation at British Shipbuilders will be at their most sensitive over the approval and implementation of these strategic plans which are expected to form the basis of *the industry's corporate plan.*

The corporate plan will set out partly to regulate relations between overlapping and competing areas of the business. *Marketing and sales* are an obvious candidate for such regulation. The shrinking world demand for new ships has already produced one or two ex*amples of competitive bidding* between British yards leading to a loss-making contract and elimination of destructive competition will be a high priority *after nationalisation.*

At the same time, however, Graham Day has stressed that he wants to retain the competitive element "by permitting only one or two yards depending on the strength of a market sector, to operate in any one area, and then let the better yard demonstrate its competitiveness in securing orders in such a sector."

British shipbuilders will be trying to win orders in a very thin world market and top level thinking at the moment envisages a dual effort with the headquarters concentrating on marketing and the profit centres *on sales. In the short-term this* could mean that life for the yards will probably continue much as now except that *potential* customers who are unearthed by the headquarters will be channelled towards particular builders. Tendering may be monitored by the *centre which will almost* certainly lay down criteria aimed at eliminating any destructive competition. But, as Graham Day stresses, "we have *somehow to live with the* process of natural selection."

In the longer term, some yards will be encouraged to concentrate on certain market *sectors. A. and P. Appledore,* a firm of consultants, is currently working on a market study for British Shipbuilders which could eventually contribute to a *strategy of concen*trating on ship designs which have a high added value and a high labour content. The value of specialisation has been demonstrated by Austin and Pickersgill.

But a vital point stressed time and time again at the 116 meetings the organising committee has held during tours of its bailiwick is that orders will not be directed to yards nor swapped around the industry.

This assurance is as vital for customers' peace of mind as for the merchant shipbuilders'. A decision, for example, to share out Austin and *Pickersgill's* lengthy and valuable order book among other yards could prompt a spate of cancellations and deliver a mortal blow to *customer confidence. A sensible* bow in this direction is the retention of all the company's trading names which was one of the first decisions taken by *the organising committee.*

The committee's aim is to keep the British Shipbuilders headquarters staff, who will be based on a shipbuilding area, probably Liverpool, *as small as* practicable. The stated target is 100 people handling central functions of corporate planning, marketing, industrial relations and financial control and budgeting. The intention is that these departments should provide the policy framework for the constituent units and then monitor their performance. Other nationalised industries, notably gas and electricity, have started life with a comparable structure and then found themselves succumbing to the pressures of centralisation.

None of those planning the new Corporation expect their creation to be free of such pressures. They are, however, determined to resist them. The dogged attitude which prevails at the organising committee's temporary home in the National Enterprise Board's London office has several sources. Two of the key principals, Graham *Day* and Peter *Mills,* the designated director of corporate planning, are both Canadians whose main experience of contact with Whitehall comes *from their four years running* Cammell Laird which is 50 per cent. Government owned. As relatively young men (Day is 43 and Mills 33), both have *good career prospects ahead of* them and neither is likely to be reticent about using the resignation threat to get their own way. However, their administration will have to be accountable to Parliament and there must be doubts about whether such a tiny headquarters can satisfy the Government's insatiable appetite for information about the nationalised industries. "If they want masses of facts and figures they can hire the staff and they can pay them," typifies the committee's attitude at the moment.

Dozens of nationalised industry chairmen and chief executives have tried and failed over the years to keep Whitehall at a distance and some of *the most spectacular failures in* this respect have been those who favoured a no-nonsense gritty approach. However, the organisational philosophy of *British Shipbuilders* does have the Department of Industry's *blessing* so there are at least grounds for hoping that it will try to avoid deforming its off*spring during its early years.* But the Department of Industry will not be the only part of Whitehall making demands on the Corporation's headquarters.

This is because relations between naval shipbuilders and the Ministry of Defence have proved increasingly unsatisfactory in recent years. Cost over*runs on the naval shipbuilding* programme recently brought a sharp rebuke from the House of Commons Public Accounts Committee over the Ministry's handling of naval contracts and the Ministry of Defence is bound now to review its procedures. Any consequent reforms may ultimately increase the burden on British Shipbuilders although Admiral Griffin, who until his appointment was the Ministry's Sea Lord responsible for naval procurement, can be expected to give this part of the business his special attention.

Chairman-designate of British Shipbuilders is Admiral Sir Anthony Griffin seen here (centre) with members of his organising committee. On the left are the two deputy chairmen: Mr. J. Graham Day (top), who is also chief executive; and Mr. Ken Griffin. On the right are the two specialist directors: Mr. Peter Mills (top), in charge of corporate planning; and Mr. Tony Peers in charge of labour relations.

Other factors could seriously challenge the attempt to decentralise shipbuilding's administration. In the forefront is the acute shortage of orders and the fact that some yards' prospects *are much worse than others.* Problem companies will require, and be given, special attention. But there is a risk that the more the central headquarters in*volves itself in their problems,* the more it will develop an infrastructure with the power, capability and inclination to interfere elsewhere.

Industrial relations may also be a factor in increasing central activity. However the director responsible, Mr. Tony Peers, previously spent four years in charge of industrial relations at the Engineering Employers' Federation and is therefore well versed in the problems of fragmented national and local two-tier bargaining and of dealing with labour problems nationally when individual managements chance their own *autonomy.* The division of responsibilities between the companies and the *centre will to some extent* be reflected in a procedure agreement which will be sought with the industry's trade unions. But there is little doubt that the *problems* associated with the inevitable contraction of the industry's workforce will have to be dealt with by the headquarters and may strain its planned resources to the utmost.

Nevertheless, there will be some strong countervailing forces anxious to defend the structure on which British Shipbuilders will be inaugurated. Must of these will come from the industry's senior managers who are understandably anxious to preserve as many of their prerogatives as possible.

The present managing directors of virtually all of the shipbuilding, shiprepairing, and marine engine building companies are expected to stay on after nationalisation, although it will be surprising if all are still occupying the same seats after 12 months. As soon as nationalisation became a real possibility the companies, through their Shipbuilders and Repairers National Association, took a *strong line on the need* for a decentralised structure.

Relationships

The reasons, not all of which have been publicly stated, are a strange mixture of commercial considerations, personal prejudices, and the insular mentality which characterises shipbuilding and its allied industries. On the commercial *front,* many of the companies have built up close relationships with domestic and foreign shipping companies which over the years have been a profitable source of business. The shipbuilding and repair yards *rightly feel that these contacts* would be jeopardised if total responsibility for sales and marketing was handed over to the headquarters.

It will be surprising if some existing commercial contacts are not jealously protected from exposure to the headquarters. It is going to require a tremendous effort for some senior managers to adjust to being part of one single corporation where competition between the units is carefully regulated. Years of intense rivalry between the yards has built up a strong sense of identity within most of the companies which has been an influential motivating force *but which has often inhibited* effective action as an industry. Naval shipbuilders tend to have distant contacts with merchant shipbuilders who in turn are *often less than generous in* acknowledging each other's strengths and rather more ready to exaggerate the weaknesses.

Encouraging a corporate sense of identity in a decentralised structure is going to be a difficult and tiresome task for the executive directors of British Shipbuilders. None of them is willing to contemplate failure, but it will be surprising if their initial organisational blueprint survives intact.

The Technical Page

TED BY ARTHUR BENNETT AND TED SCHOETERS

DATA PROCESSING

.K. design xpertise r Japan

ESYS, the U.K. centre for pplication of automation to roduction of detailed plans common civil engineering architectural structures, has eded in placing its manu- re-independent computer- routines in Japan.

has just signed a four-year ment with the leading ese technical software isation Kozo Keikaku En- ring Inc.

of the results of this ment, which gives Kozo ku the exclusive right to et GENESYS in Japan, will e creation of GENESYS sys- for the Fujitsu-manufac- range of small and mini uters known as FACOM.

o Keikaku has established ing place in Japan by the opment of technical software in the field of civil, structural and architectural engineering. It was they who pioneered the application of computers to the design of high-rise buildings for earthquake areas, so enabling Tokyo and other cities to build multi-storey buildings. They have also done some advanced work in graphics displays and the use of the GENESYS System will be incorporated into future development work.

In addition to the setting up of GENESYS in the Far East, the company has further consolidated its position in Europe with the acquisition of a contract with the Research, Development and Education Centre known as CSATA with computer centres at Bari University and Calabria University.

Here GENESYS will supersede existing IBM program-handling routines and will be used as the basic tool for software development and training of professional engineers in South Italy.

Genesys is at Pennine House, 2, Lemyngton Street, Loughborough, Leics. LE11 1XA. Loughborough (0509) 39185.

ill scan sitive or gative

litho plates nowadays ntly made direct from ps the need for negatives nochrome plate-making is ed. However, they are still for colour work and so eed arises to be able to either positives or nega- f printing ink pre-setting ation is to be produced. gned and manufactured by (Sangrin) is the Video NP canner which will produce te percentage scans known percentage y screens. It scans in pre- ined zones created to suit rticular press to be pre-set, nes being equivalent to the zones on the press.

positive or negative is laid flat bed and can be seen TV monitor on which the are superimposed and can ied within limits.

intended that the scanner normally operate on-line computer which in turn feed the ink pre-setting ation to the press. But it and a print-out can be ed for manual operations. from Swains Industrial Rochford, Essex SS4 1RG 547946).

Tapes widen programs

MONROE has introduced a low cost tape cassette system that will provide extensive programming and data storage for its desk-top calculators/computers.

Its use means that problem-solving capacity is no longer limited by the number of program steps that can be stored in the machine itself at any moment.

Automatic program *control* is provided and large programs can be divided into a number of blocks each holding 256 steps. A final command at the end of the block reads the next program into tape memory, and the procedure can be repeated (up to 150 blocks) until the program has been completed. Some 38,000 programming steps can be accessed per side of tape.

Single or dual drives can be supplied, the latter making updating easier and more convenient. More from suppliers, Keithley Instruments, 1, Boulton Road, Reading, Berks. RG2 0NL (0734 861287).

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● RESEARCH

Flexible resin study facility

RECENTLY COMMISSIONED in the Permutit-Boby process laboratories an ion exchange resin evaluation facility "REF" allows controlled column testing of both anion and cation resins *in various regeneration modes.*

Simultaneous running is possible in orthodox down-flow, packed bed upflow, air hold-down and split-bed techniques. Column controls have been arranged so that personnel can be trained for full-scale ion ex*change plant operation.*

The REF incorporates continuous conductivity recording automatic shutdown and automatic sampling for total organic carbon, sodium, silica, etc. Its *addition to Permutit-Boby's com*prehensive process laboratory facilities will rapidly increase knowledge of resin behaviour under different operating techniques.

Permutit-Boby, 632, London Road, Isleworth, Middlesex TW7 4EZ. 01-560 5199.

● MATERIALS

U.K. resin technology

CIBA-GEIGY, New York, is to manufacture and market the Albright and Wilson range of heat-resistant thermosetting Xylok resins throughout North America under a licensing *agreement* between the two companies.

The Xylok range consists of two classes: curing by epoxy and hexamime mechanisms, respectively. *Xylok-epoxy* resins have a greatly enhanced thermal stability over currently used epoxy resin systems and are used in multi-layer printed circuit boards for advanced electronic equipment and with mica paper, Nomex paper and Kapton film, in high performance electrical insulation for railway traction engines, genera*tors and transformers.*

Hexamine-cured Xylok resins are used *in* applications as varied as blades for rotary vane compressors, automobile components and lamp capping cements.

Of the Xylok range so far introduced in the U.S., Xylok 235C is attracting considerable interest for the manufacture of high performance printed circuit boards requiring intermediate to short-term high temperature performance up to *200* degrees Centigrade; dimensional stability low z-axis expansion; low moisture sensitivity; and good electrical properties.

The agreement between the two companies follows a two-year test market of the Xylok range in the U.S. by Ciba-Geigy, who have a long-established international reputation in the *field of epoxy resins.*

Further details from Albright and Wilson, 1, *Knightsbridge* Green, London, SM1 7QD or 01-589 6393.

Lubricates and cleans conveyors

AN AUTOMATIC central lubrication *system for conveyors* used for bottles, kegs, crates and cans, has been introduced by Joseph Crosfield and Sons, Warrington, Cheshire (0925 31211).

Called Slatloob Mk. 2, the system supplies detergent lubricant to single or multi-line complexes from one unit—individual lines can be shut-down for maintenance without affecting the rest of the system.

Three fluids have been developed for use with the system to lubricate and clean slat and chain conveyors. Two are soap-based lubricants, *one for* soft and one for hard water. The third is a blend of soap and other materials and is stated to be effective where extra lubricity is required on high speed bottling *lines.*

For bright diodes

MATERIAL for light emitting diodes stated to offer "a 30 per cent. increase *in minimum* brightness level" has been put on the market by the electronics division of Monsanto.

Designated MON-400, it consists of gallium arsenide phosphide on a gallium arsenide substrate and has a minimum specified brightness of 400 foot-lamberts. The material is also stated to have reduced current require*ments for a given light output.*

Availability is in wafer or chip form and more data can be obtained from the London office on 01-222 5678.

Glass vessels have an important role in plants producing pure essential oils for flavours and perfumes as there must be no risk of contamination or carry-over of lingering odours after a product batch change. The vessel shown in use here is typical of processing equipment produced by Corning, Process Plant Division, Newstead Industrial Estate, Trentham, Stoke-on-Trent. It is made from borosilicate glass and is in use at Bush Boake Allen's plant at Long Melford, Suffolk.

● NORTH SEA OIL

Diving rig for great depths

SATURATION diving equipment with the "deepest" abilities so far assembled for use on a North Sea exploration rig is completing pre-commissioning tests at the Aberdeen headquarters of Comex Diving.

Lloyds rated for use to a maximum working depth of 450 metres (1,500 ft.), it will be installed by Comex on board the new BP rig Sea Conquest which replaces Sea Quest.

The system, which represents a capital cost of over £1m., is capable of accommodating four divers working in saturation. The number of divers can be extended by adding an additional decompression chamber and life support system and the facility has been designed to accommodate this extended capability if required.

Principal components of the system are a diving bell, wet lock, and living chamber for four men. All supplies to the bell (gases, power, heat and communications) are carried by an umbilical, with emergency supplies within the bell itself. A "rolling door" device is used to move the bell from its dive position to the mating flange of the living chamber to ensure accurate alignment of the two pressure vessels.

Comex Diving, Bucksburn House, Howes Road, Aberdeen. Aberdeen 713001.

● COMPONENTS

Steam air humidifier

STEAM AIR humidification equipment for installation in any heating, ventilating or air conditioning duct system, where a steam supply is available, has been introduced by Fecon, Garth Road, Morden, Surrey (01-330 2911).

Called the D.50 system, it is stated to be suitable for both new and existing air delivery systems. Maximum output is 50 kg/hr at saturated steam pressures of 0.2 to 4 bar.

The unit can be installed vertically or horizontally in the duct, and several heads can be connected in parallel. Operating on a condensate-free steam supply the system is pre-heated from steam flow via shut-off valve, dirt trap and steam volume regulating valve to the humidi*fier distribution head.* It is stated to be suitable for use with all pneumatic, electric or electromagnetic regulating systems.

Hydraulic relief valve

USE OF *mathematical models* and computer-aided detail design to arrive at an optimum internal configuration contribute to the performance of a pilot operated relief valve from the U.S.

Designated Series REV. 16, it has a conventional arrangement of poppet pilot valve and spool main valve, and is externally adjustable over a range of pressure settings from 200 to 3,000 psi at an input of 60 gpm. At all settings there is a minimal differential between cracking pressure and full blow-off pressure. The valve is stated to be unaffected by wide fluctuations in flow rate—allowing only a small pressure increase for a big increase in flow.

It can be used normally as a relief valve and several options are *available,* converting the basic unit into a remote pressure control valve, a sequence valve, or a mechanically or electrically operated dump valve. It is stated to be equally suitable for static or mobile *hydraulic* applications.

Marketing in the U.K. and Europe is by T. Webster, St. Ives, Cambridge, PE17 4LZ.

● MACHINE TOOLS

Dimensions at a glance

TO BE seen for the first time at the forthcoming machine tool exhibition in Birmingham is an electronic volume gauge in which a progressively illuminated stack of neon lamps is used to provide dimensional readings.

Read rather like a mercury thermometer, the unit has 202 elements per column and provides a clear and immediate reading to an accuracy of 0.5 per cent. There can be no parallax errors, and there are no moving parts in the normal sense so that a long maintenance-free life is ensured.

The gauge has inch/metric reading, ten measuring ranges, datum setting controls, built-in tolerance indication and retention of measurements. There are logic level outputs indicating "pass," "fail" and "rework" for machine control and analogue recording purposes. All controls except datum adjustments are housed and secured under cover to prevent unauthorised adjustment.

More about the gauge, which is expected to be particularly useful where many dimensions have to be monitored at the same time, can be obtained from the maker, Coventry Gauge, at P.O. Box 39, Coventry CV4 9DA (0203 75521).

Air-driven table

A SEALED, air-driven rotary table for surface grinders, fitted with a three-piston motor and *able to operate in conditions* which could be hazardous for electrical drive (under a stream of coolant, for example) has been developed by Tetroc, 51, Cobham Road, Ferndown Industrial Estate, Wimborne, *Dorset* (0202 877441).

The company says that use of the piston motor, which requires air at 80 psi. + to 7 cfm, has achieved a 50 per cent. improvement in air consumption compared with the original machine.

Applicable to most makes of vertical spindle grinder, the table has a height of 182 mm., and a diameter of 320 mm. Work is held by a central clamping bolt, or by bolts into the tee slots of the face plate.

The maker says floor-to-floor time to regrind a medium-sized automotive flywheel, using the table, is about three minutes.

● HANDLING

Upgraded reach truck

TO BE LAUNCHED in the autumn is a range of Saxby reach trucks stated to have an overall improvement in performance of 30 per cent. compared with previous models.

Built in Paris, the trucks are available in 3,000, 3,500 and 4,500 lb. capacities at 24 inch centres, with fork heights up to 315 inches. They are powered by a 36V system and will have an especial role when users need to lift over 1 ton loads above 22 feet.

The French Saxby Company is owned by Otis Elevator, a United Technologies Corp. company, of the U.S. Marketing in the U.K. is through Barlow Mechanical Handling, Airfield Estate, Maidenhead, Berks. SL6 3QN (062882 2151).

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TUESDAY, AUGUST 17, 1976

Neither clean nor dirty

ON AUGUST 9 in a speech in San Francisco Mr. Edwin Yeo, the under secretary for monetary affairs at the U.S. Treasury, made the following remarks: "Old ideas die hard. Despite the failure of Bretton Woods, under much less severe strain than the events of the last few years have put on the international economy, we still see periodic efforts to restore Bretton Woods-style parity relationships, with all the attendant paraphernalia of massive intervention, swaps, stiff-upper-lip statements which no one believes, etc."

Satisfactory

Mr. Yeo mentioned no country by name, though the obvious targets were Japan and West Germany and perhaps some of the lesser members of the European snake. He then went on to Tokyo and said much the same thing.

It would be too much to attribute what has happened since solely, or even directly, to one official of the U.S. Treasury. But it was notable that by the end of last week the Japanese yen was again appreciating against the dollar and the German authorities were having to issue familiar denials that there would be any upward revaluation of the D-Mark. On Friday, both the Belgian and Dutch central banks were obliged to raise their discount rates by a full percentage point, which may have accounted for the slight hardening of their currencies yesterday, though another factor keeping the European markets relatively quiet was the French holiday. In Tokyo yesterday, amid turnover higher than for some weeks, the yen was at its strongest point against the dollar for 17 months and, significantly, the Bank of Japan only moved to support the dollar towards the end of the day.

It looks therefore as if we have again reached the stage where the publication of any major set of economic indicators—and the Japanese trade figures for July are due to-day—could have a pronounced effect on the markets. And yet the renewed uncertainties cannot have come about merely because of Mr. Yeo's remarks. What he was doing was drawing attention to a situation which should have already been obvious—namely the strong performance of the German and Japanese economies, their trade surpluses and relatively low rates of inflation. It is precisely the successful economic management in Germany and Japan which makes their currencies prime candidates for revaluation.

In the Japanese case, the American message may have been already accepted—hence the readiness of the authorities to allow the yen to appreciate yesterday. If so, this is as satisfactory a way as has yet been devised of managing exchange rates. There was a case for revaluation: the Americans prodded and the Japanese responded. As floating, it is neither particularly clean, nor particularly dirty, but it may work.

German case

The German case, however, is rather different. The D-Mark does not float freely partly because it is in the European snake and partly because there has never been as much support for upward revaluations as one would expect from Germans who otherwise advocate the free market economy (there are also Federal elections on October 3). The departure of the French franc earlier this year has meant that it has become somewhat easier to hold the snake together since the D-Mark is, in effect, the only major currency left in it and it is not especially expensive for the Germans to support (say) the Danish crown. Yet there is an economic divergence among the members, none the less, and one wonders at which point the Germans are going to decide that preserving the snake is no longer worth it. It is possible that the markets will make their decision for them. If they do, the passing of the snake will be no great loss. Attempts to hold exchange rates together by support operations may reduce short-term fluctuations: it has yet to be shown that they promote convergence.

Unemployment trends to watch

THE HIGH level of unemployment is rightly a cause of serious concern. Certainly the published figures overstate the seriousness of the problem to some extent and short-term unemployment, at least, is not quite the social hardship it used to be. But the level of unemployment in Great Britain, when adjusted (see an article in the latest Department of Employment Gazette) in such a way as to allow valid international comparisons, now appears to be still lower than in the U.S. but considerably higher than in France, Germany or Italy. The Government hopes that unemployment will level out or begin to fall by the end of the year. But for the moment the first effects of higher industrial activity are making themselves felt in less short-time working and greater overtime.

In the meanwhile, however, certain significant trends in the overall pattern of employment, pointed out in the Treasury's monthly progress report published last week, have been taking place. One which is entirely welcome is an evening-out in levels of unemployment between the different regions. The chart given in the report shows changes up to the end of 1975, which have become more marked since the year end.

Relative position

But it is clear from the chart that unemployment in the traditionally worst-off regions, Northern Ireland, Scotland and the North, though still well above the national average, is considerably less so than it was a few years ago—though the relative position of the South-West has moved since 1972 from one of below-average to one of above-average unemployment. At the same time, the position of traditionally well-off regions like the South-East, East Anglia and the Midlands, though still above average, has become rather less favourable. Whether this result vindicates the regional policies pursued by successive governments is a matter that could be argued at length, but the result itself is worth noting.

An even more interesting trend is the relative movement of estimated employment and registered unemployment. Between end-1973 and end-1975, the number of males employed in Great Britain is estimated to have fallen by 400,000 while the number of registered unemployed rose by 490,000—a discrepancy which the department believes it can account for. But in the same period the number of employed females rose by 200,000 while the number of unemployed simultaneously rose by 140,000. Over the country as a whole, at the July count, 7.0 per cent. of the male labour force were registered as unemployed against 3.3 per cent. of the female.

Female workers

The fact that female employment and unemployment have been rising simultaneously, despite the relatively small size of the latter, suggests that women are now a more active part of the country's labour force. This may be because the rise in average disposable income has fallen and more wives have had to go out to work; but, given the gradual implementation of equal pay, it also suggests that women may be competing for jobs with men on grounds other than labour cost. If so, there may be social difficulties to overcome even when the level of unemployment begins to fall. Similar difficulties have already arisen in the latest stage of the Government's emergency job measures (which are thought to have provided some 150,000 jobs and training places so far). Some 30,000 places were to have been found in factories and offices for school-leavers to gain "work experience." Although the TUC itself supports the scheme, it is proving difficult in practice to create jobs which do not leave room for the accusation of taking potential jobs away from the adult unemployed.

U.S. 'phone shops' may contain a lesson for Britain. Christopher Lorenz reports.

The case for aggressive telephone marketing

EVERY CONSUMER and taxpayer should welcome the fact that the Post Office has emerged from its normally defensive posture, and is in the midst of a major advertising drive. Television screens, placards, newspapers and magazines all now extol the virtues of the telephone—having one of your own rather than queuing at a callbox, calling cross-country for only 10p, "making somebody happy" with a cheap rate call, even swapping your old dial for a push-button phone.

One purpose of the drive — which will cost a record £3m. this year — is to restore the traditional growth of the P.O.s telephone business. This took a sharp knock last year after tariffs were doubled. But, provided the P.O. is prepared to behave like an aggressively commercial organisation, the campaign could also mark the start of a promotional drive lasting several years. It would be aimed not only at boosting the "penetration" of telephones into the home, as well as their use, but also at the potential market for sophisticated services and equipment — of which push-button 'phones are only the beginning.

Such a marketing drive would reflect the best aspects of the much-admired U.S. telephone service. Rather than waste public funds at a time of financial stringency, as some critics claim, it would improve the return on the most under-utilised part of the P.O.'s massive assets (the 25 per cent., or £1.2bn., represented by the local telephone network). The rental or sale of sophisticated new equipment would also add a major new source of revenue. From all this the consumer could benefit — from better service and more reasonable tariffs.

In Britain, nearly every household has a TV. But only 51 per cent. have a phone. Those that do make an average of only two calls a day. To some extent, a calling rate is a function of telephone penetration but it can also be stimulated—and the Post Office's wires used more economically—by the marketing of new services: hence the Post Office's attempt to find more information services of the "speaking clock" and "Dial-a-disc" variety.

The U.S. presents a completely different picture. It reached the U.K.'s current level of residential penetration immediately after World War II, and telephones are now on a par with televisions, approaching 100 per cent. Social patterns explain some of the U.K.-U.S. discrepancy, as does the traditional readiness of the (private enterprise) U.S. companies to go out and sell their wares.

Until very recently—and even now, according to some critics—marketing was the "Cinderella" of the Post Office. Whatever its official position, it occupied a lowly place in the decision-making hierarchy.

The U.K. telephone service was nationalised in 1912; by then, the U.S. was well ahead in terms of telephones per head of population, thanks to intense inter-company competition and top executives' policy of "universalising the telephone."

Even since it ceased to be a Government department in 1969, the P.O. has not had a free hand over how to deploy its profits. During the 1970-75 period of price restraint and controls, it gradually sank into deficit and would have found it extremely hard to increase the outlay on marketing many new services. Since 1969 there has been continued Government interference with nationalised industries' investment programme. Like the others, the P.O. is now trying to minimise the impact on its plans of the latest public expenditure cuts.

Another aspect has been the tendency of all civil servants to avoid taking even slight risks—though these are the essence of marketing. Since so many of the P.O.'s employees were civil servants until only seven years ago, this must still be a major barrier to giving the British public as sophisticated a telephone service as the U.S.

Critics of the Post Office have always made great play with the fact that the average U.S. household makes more than twice as many calls a day as its British counterpart. Rather than reflecting the inefficiency of the Post Office's system, it is a by-product of almost a century of levying no charge whatever for local calls in the U.S. This may have helped to stimulate telephone demand in the past, but it has now become an unremunerative burden round the necks of the Bell System and the other U.S. telephone companies. It comes as a great surprise to observers of the American social scene that the Post Office claims that the average British subscriber (taking residence and business together) makes considerably more trunk calls than his U.S. counterpart.

The trouble with comparing the efficiency of the British and American telephone service is that the U.S. business has always subsidised domestic subscribers to a far greater extent than in the U.K. The pattern was established by the early U.S. entrepreneurs, and was reinforced in the 1930s by the courts and regulatory agencies. This is partly why it costs about five times as much to have a telephone installed in Britain as in New York, for example.

On non-local calls, the two countries' charges converge with increasing distance and over about 60 miles American levels are generally higher. It will only be possible to make a true comparison between tariffs in the two countries, and therefore efficiency, when the Americans have reduced their cross-subsidisation to the British level, or abolished it completely—which is now envisaged by the agency which regulates the industry, the Federal Communications Commission. This is in line with its policy of encouraging competition with the Bell System; to facilitate fair competition, each part of Bell's service would have to become self-financing.

It is too late to adopt the practice of extreme cross-subsidisation in the U.K. for several reasons, including the outcry which would come from the business community—which has only just complained to the Government's Post Office Review Committee that there is already too much cross-subsidisation here. Instead the Post Office is relying on natural growth, plus its marketing activities, to get telephones into a further 30 per cent. to 35 per cent. of households in the next 10 years.

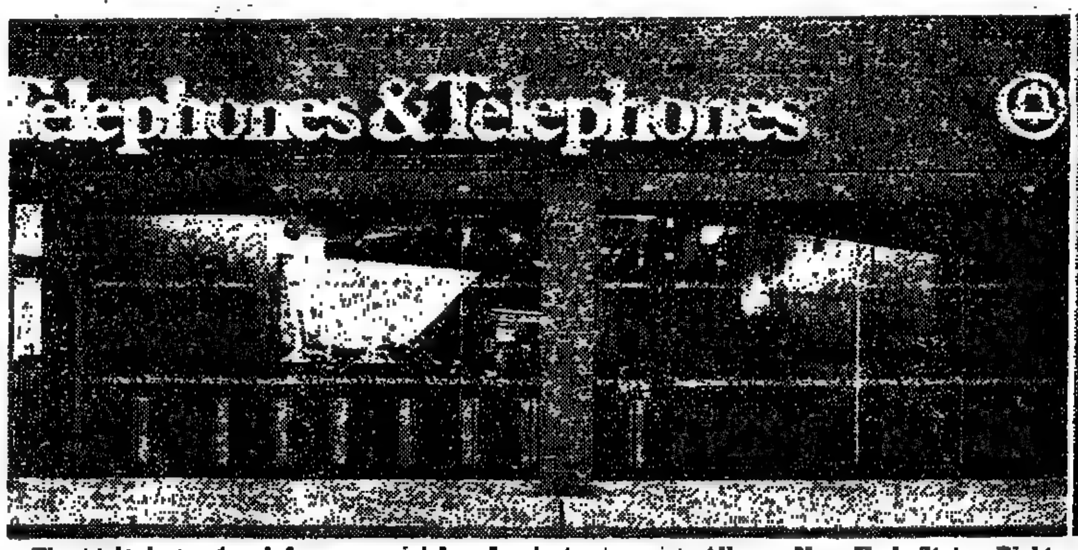
Contrary to a widespread view, the Post Office does have something to teach the Americans about how to improve productivity of a telephone network. It pioneered what it calls "Information services" and what the Americans call "Mediaphone." And it is the P.O. which is trying to pioneer Viewdata, the use of the TV screen to display information and advertisements which are transmitted over the telephone line. This is now undergoing a pilot trial.

Both are examples of ways to stimulate use of the telephone. The "speaking clock," which was established in 1936 as the famous "TIM" (now sadly enumerated simply as "123"), received 395m. calls last year. Fourteen other information services have been made available since the 1960s, of which "Dial-a-disc" received 59m. calls last year. But in recent years the Post Office has failed to find many new services which would attract a high volume of calls each year, and the total income from all 15 was only about £15m. last year.

Mr. Dennis Casey, Marketing Director-Telephone Operations of General Telephone and Electronics—the second largest telephone company in the U.S.—considers these sort of services to have considerable potential. He thinks General Telephone and Electronics could earn £85m. a year in extra revenue from them—and the GT&E network includes a third fewer telephones than the U.K.'s 21m.

Many other sources of profitable and new revenue to the telephone companies can only be provided with the advent of electronic telephone exchanges. Most are already available in U.K. organisations which have modern private exchanges, but they are already coming into use in the U.S. public network. GTE, for example, expects a third of its household subscribers to pay about £5 a month for a service which tells them when a second caller is waiting to talk to them after their current conversation is finished.

Where the PO's marketing effort can be faulted is on its failure to provide simple "premium" equipment which can work over existing lines and exchanges. This applies to both residential and business markets. The quality and appearance of its loudspeaking telephones are well below par compared with some U.S. equipment for example. Only 16 per cent. of British residential installations have as simple an attachment as an extension phone compared with 57 per cent. in the U.S. where "teenage marketing plans" are common practice.



The 'telephone store' for commercial and private users at Albany, New York State. Right: a U.S. householder using a 'touch tone' phone.

Some types of "premium" telephones were available on the U.S. market ten years ago, but this number has mushroomed since 1968, when independent suppliers were allowed for the first time to compete with the established companies. One of the results of this competition was the acceleration of plans by Bell and GT and E to introduce phone stores. GT and E now has 40, serving over a quarter of its residential customers; ultimately it will be up to 200, serving about 90 per cent. of them.

The phone shops epitomise the way Americans increasingly see the telephone: as a consumer product to be marketed with all the glossy trappings of a pocket calculator, or a transistor radio. For the moment, the established companies still rent them (their competitors sell them outright). You just have to pick up your phone at the store, take it home and plug it in. If it breaks d[own] you can take it back at onc[e for] a check-up.

To a company such as GT E, the system cuts install and repair costs substant[ially] and generates extra revenue. Phone Mart in Tampa, Fl[orida] tripled to 15 the numbe[r of] colours available for one [...] phones. This is one of the [fac]tors behind the 50 per cen[t in]crease in offtake compared [...] the previous system of m[...]ing. Almost half the Mart's [cus]tomers are ordering [push-]button phones, compared [with] the average previous ra[te of] under a fifth. And it is at[tract]ing customers from as far [...] miles away.

Could Britons develop su[ch an] insatiable appetite for [...] phones, if they were give[n the] choice? The average Ame[rican] has more disposable in[come] and probably a greater fa[scina]tion with gadgetry. Bu[t cal]culators have swept the U[.K. as] well as the U.S. and [the] P.O. has been pleasantly [sur]prised by the initial de[mand] for the new pushbutton ph[ones].

Even if the British ap[petite] were only half as great, it [would] require major changes i[n the] marketing of telephone [equip]ment. One way would be to [allow] private companies to co[mpete] with the P.O. in this [field] (though not for the provi[sion of] transmission and exc[hange] equipment). Post Office union officials would uni[te in] opposition to such a b[reach] (albeit extremely limite[d) of] the P.O.s monopoly. But o[ne of] the P.O.s main equipmen[t sup]pliers, STC, has had the co[urage] to propose it to the Post [Office] Review Committee, and th[is] was contemplated by th[e] Tory Government.

An alternative would [be to] give consumer bodies [more] influence over the P.O[., as] suggested this month by [the] National Consumer Counc[il. A] third possibility would [be to] erect a semi-independent [regu]latory body, on the lines [of the] U.S. FCC. A fourth [...] would be to trust the P[.O. to] offer a far wider range of [equip]ment, and to streamlin[e the] P.O.s approvals process so [that] designs took several m[onths] rather than over three [years] (as in one well-docum[ented] case of an STC pushb[utton] 'phone) to get through [the] process.

How one reacts to the [U.S.] example depends on wh[ether] one thinks the telephone [has a] limited role to play, or wh[ether] it should enter the field of [mass] marketing and fashion. [But] there is no question that a[n] aggressive long-term P.O. [mar]keting policy could benefit [both] customers, and the financ[es of] Britain's largest nationalis[ed in]dustry.

MEN AND MATTERS

Sydney: Moscow Narodny's trouble spot

Moscow Narodny Bank, that curious group which though Russian-owned (it was set up just post-revolution) is a British bank, has two branches which both have more than the usual share of misfortune. One is in Beirut, where the problems are obvious. The other is in Singapore which faces hazards of a different, that is to say financial, nature.

In a move clearly aimed at strengthening local management, George Andrews, until recently secretary of the bank in London, has been appointed a full-time executive of Moscow Narodny in Singapore. Despite its Marxist parentage and its main function of financing East-West trade, the group has been quite heavily involved in property finance, both in Britain (where it was, for instance, among lenders to William Stern's interests) and from Singapore.

After expanding rapidly for its first four years, the Singapore branch found itself owed some $40m. by Mosbert Holdings, the collapsed property and investment group which had been put together by Amos Dawe, a Singaporean who started out as a postal clerk.

Now, fresh problems have arisen with another developer in the orbit of the Singapore branch, Regional Landholdings, of Australia. Yesterday Moscow Narodny demanded immediate repayment of loans totalling $A18.7m. (£13m.) plus interest from Regional. The bank advised Regional that it also proposed to appoint a receiver, but the company is seeking an injunction from the New South Wales Supreme Court restraining the bank from this action.

Moscow Narodny is Regional's principal secured creditor with its loans backed mainly by mortgages on land in the Sydney suburb of Woolloomooloo. Regional bought ten acres for about $A22m. and planned a redevelopment scheme involving commercial and high-density housing property. Then came trouble: first, the trade unions prevented any work going ahead, then the city authorities rezoned the land for medium density residential use.

Regional's 1975 accounts showed current liabilities of $A33.9m., the major item being secured loans of $A35.8m. The chairman of Regional is 47-year-old Sidney Londish who, apart from his property interests, recently took over the Loloma mining company. Commenting on Moscow Narodny's action, Londish claimed that the company was getting close to a final valuation of the Woolloomooloo project and "some cash flow. We have been nothing but a football for the politicians to kick about—a victim of circumstances."

Moscow Narodny in London declined comment on the Australian case. Andrews' appointment in Singapore, and the departure of "one or two officers at a lower level" were part of "a slight re-organisation." The swift expansion of the branch has indeed led, as a spokesman put it, to "certain growing pains."

Gubay's there

Albert Gubay of Kwik-Save fame is making a comeback to European retailing. Not in Wales, where he started the fast-growing discount store group he left so abruptly in 1973; nor in England, where the company expanded; and not in the Isle of Man, Gubay's tax haven home at the time he sold out of Kwik-Save.

Instead, Gubay has chosen Ireland and is planning to spend £5m. on developing ten shopping centres in the Dublin area. The centres are expected to be modelled on the New Zealand retailing operation he has been running since leaving Britain and each will combine a discount supermarket, operated by Gubay's recently-registered Irish company Tancot, with smaller shops let to independent operators.

Gubay has paid Dublin Corporation a deposit on two sites, and is negotiating for a third. It all sounds ambitious in these hard times, but Gubay has also faced problems unfamiliar to most retailers.

The manner of his leavetaking in 1973 raised much criticism, echoed later by a Department of Trade report which found he had been in default of the Companies Act by not revealing within 14 days that he had sold his shares in Kwik-Save. When it came to the Irish venture, Gubay's negotiations with the Dublin authorities went smoothly enough at first, but then letters enclosing less-than-flattering Press cuttings found their way to Dublin councillors.

The object of the criticism (potential competitors had also wondered aloud whether he could keep promises of big price cuts) responded by saying that he is to become an Irish resident: he plans to offer customers savings of up to 20 per cent. on food items; and will get supplies from Irish companies when ever possible. Gubay hopes to have the first store open by next Easter.

"Quick, follow that cloud!"

NUJ's RSVP

So Albert Gubay is keen on one part of Ireland, but what about potential delegates to the 1978 conference of the National Union of Journalists? Northern Ireland journalists have invited the NUJ to gather in the Ulster resort of Portrush, bombed spectacularly by terrorists a fortnight ago.

The union's Irish links are strong: its president, Rosaline Kelly, is an Irishwoman working in London and vice president John Devine is an Ulsterman who works in Dublin. Even so, the NUJ executive, having pondered the Portrush invitation, has decided to ask for the views of its near-200 branches. In the end, economics may dictate a polite refusal. Travel and insurance may push the costs too much above the £25,000 spent to meet in Buxton this year.

Illustrative

It appears that my cartoonist colleague, Ken Mahood, has a lengthening spiritual lead over the rest of us. His bank has been in the habit lately of sending letters addressed to "Mr. McGOD"; then the other day he went into a West End store, wrote a cheque, and the girl behind the counter announced she would have to "take it downstairs to be sanctified." Shouldn't she have said upstairs?

Observer

iles Merritt on the call for stricter anti-terrorist laws

The Army and Mr. Rees

TER in the past week has vned a new catch-phrase—litical will." It is a term has appeared repeatedly in t Street's leader columns e the latest outburst of ng and killing and the point of course, that the British rnment seems to lack it.

ricily, the accusation is that Merlyn Rees, the Northern and Secretary, *is not doing* igh to stamp out terrorism ugh the introduction of her emergency powers with h to arm the security for- On the contrary, runs the ument, during his 30 months e Ulster job he has progres- ly reduced those powers and province is now about to the price of his "normal- on" policies with a pro- nal IRA campaign more ge than anything seen since troubles began exactly years ago.

is a row whose flames Mr. y Neave, Tory front bench esman on Northern Ireland, fuelled, and senior army rs have fanned. Other con- tors to the bonfire are hern Ireland's politicians, once united almost right ss the spectrum in their de- ds for harsher anti-terror- neasures. They, too, have echoing the newspapers' ge that political will is the ient needed to crush IRA orism and restore quiet, if peace, to Ulster.

e Army is the key to the mood, *for* throughout the d that Mr. Rees's attempts ke the heat out of the Ulster s seemed to be working, Neave and Ulster's "loyal- leaders have consistently anded a much tougher roach to terrorists, by whom tend to mean Republican emists like the Provisional

The Provisional IRA, according to Army intelligence appreciations, has used the last 18 months since it unilaterally declared a "ceasefire" to regroup and reorganise. Its weapons and explosives training has taken place in the near-ideal conditions of the prisoner of war-style compounds of Long Kesh—*one reason that the Army is nowadays very sceptical of the benefits of* indiscriminate internment. The Provos' hardcore personnel of full-timers have been organised into cells, as opposed to the previous para-military hierarchy, so that activists remain ignorant of the overall operational picture and are relatively useless to their interrogators.

In terms of manpower, the seeds of violence that began in 1969 have *now* borne fruit in the shape of thousands of enthusiastic, unemployed teenagers all too ready to become the Provos' *cannon-fodder*.

Staff work and intelligence gathering are recognised to be the vital strengths of any guerilla force and to-day receive top priority.

Ulster is a crisis that goes in phases and the Army does not seem convinced that the answer to this new threat is to "respond to the level of violence," which has been Mr. Rees's watchword for so long now. During the ceasefire—which, although a mockery because 25 per cent. more civilians were killed in 1975 than 1974, did at least help give the Constitutional Convention a breathing space—"responding" was the name of the game. There was an unspoken deal in which the Provisionals stopped sniping at soldiers and the Army left off its intensive patrolling and "screening" of Republican areas. Now the Provos are believed to have returned to "one shot" sniper attacks on military patrols. *There has been a sudden rush* of such shootings, but the Army views a return to saturation patrolling, or "harassment" as unproductive.

During the ceasefire the *military was forced to do with*out the constant stream of low-level information that these patrols produced, and its approach to intelligence became much more selective. Consequently, some officers believe there is a case for the selective detention of known terrorist planners, the Republican and loyalist paramilitary chieftains whom Stormont Castle christened The Godfathers, and at the same time a radical review of the rules of Court evidence in order to prevent known terrorists from remaining at liberty through the systematic intimidation of witnesses.

The Army point logically enough to the system prevailing in the Republic of Ireland ever since the no-jury Special Criminal Court was set up in Dublin in 1972. There, a police chief superintendant may testify that he has reason to believe that an accused person is a member of the illegal IRA and his testimony is accepted as evidence. The Army wants similar powers in Northern Ireland, in short, a pre-emptive strike.

These ambitions run counter to the whole drift of Mr. Rees's policies in Ulster. And the fact that they have been confided to a *number* of journalists lately suggested that the military was attempting to twist the Government's arm.

On Sunday morning Mr. Rees arranged an unexpected lunchtime meeting to discuss the question with the army GOC at Lisburn, Lt.-Gen. Sir David House. There seems little question but that General House was sharply rapped across the knuckles. A statement from Stormont Castle immediately afterwards emphasised: "The GOC is totally satisfied that in no way is he inhibited by political constraints in what he believes to be right in the conduct of operations." More to the point, perhaps, was the *rider—"the only constraint on* the security forces is that they operate within the law."

During his time as Northern Ireland Secretary, Mr. Rees has made no spectacular gains but, *more important to the British* Government, nor has he made any spectacular mistakes. He believes that the only long-term solution to the Northern Ireland problem is the creation of *increasingly more normal* conditions in which terrorism cannot flourish, and has pushed for a return to the rule of civil law *by ending internment and "spe*cial category" *status* in the prisons for "political" terrorists. *Even if the Convention* failed to *produce* a political, power-sharing settlement, outright civil war has seemed an increasingly remote threat.

All this time Mr. Rees has been treading a tightrope so skilfully that many observers in *Belfast wonder if he has not* convinced himself it is *terra firma*. His officials at Laneside, the special department for politically sensitive affairs situation on the shores of *Belfast Lough* well away from Stormont Castle, have until recently maintained contacts with leaders of the Provisional Sin Fein, the IRA's political wing. Senior "officers" in the Ulster Defence Association, largest of the Protestant private armies, have allegedly been received at Stormont *Castle itself, while the Dublin* Government, for all its loud objections to these "conciliatory" moves, has *had* to work overtime during the past year to dispel British suspicions that it has lingering sympathies for the Republican activists.

Mr. Rees now probably has only two more months in Ulster. It is unlikely during that lame-duck period that he will change his approach to the situation. If this month's heightened IRA activity turns out only a flash in the pan, like the Provos' brief campaign of "military precision" bombings last September, or the *sectarian warefare in South* Armagh that prompted the sending of the spearhead battalion and the SAS in January, then he will be right.

If, though, the Army is correct *in its forebodings,* and IRA attacks *in* both *Ulster and* the Irish Republic continue at a high level this summer, then Mr. Rees's phase is at an end. At the *beginning* of this year Sir Harold Wilson, when still Prime Minister, confided to one political commentator that the only problem in replacing Merlyn Rees in Ulster was that of finding another Merlyn Rees. By this he meant the ability to *keep the lid on the pot by never* over-reacting. If Mr. Rees's "normalisation" period turns out to have been the lull before the next storm and a return to the civil chaos of 1972-73, Mr. Callaghan will no doubt *look for* a *new Secretary of State of a* different temperament.

If the noises that Mr. Neave has been making before his arrival in Ulster this week are anything to go by, there is now rather more at stake *in* Westminster political terms than the vindication or otherwise of Mr. Rees's policies. Mr. Neave has made clear his opinion that the bi-partisan relationship between *Opposition* and Government *on* Ulster no longer extends to security policy.

In the House of Commons, Mr. Neave has been a vociferous and even angry critic of Mr. Rees's low military profile and of his Sinn Fein talks policy, but the latest statement amounts to a *formal* declaration that might be the thin edge of the wedge that would destroy bipartisanship. *Mr. Neave's statement* was made *in an interview on Ire*land's RTE state radio service on Sunday, when he repeated his earlier call for a new offence of "terrorism" to be put on *the Statute Book* and stated that the bi-partisan relationship now only extends to constitutional and political questions. With indefinite direct rule now the only apparent course of action open to Westminster, as Mr. Neave himself concedes, security is the backbone of bipartisanship.

During his tour, Mr. Neave plans to meet a wide range of Ulster Unionist politicians, and there has naturally been specu*lation in Belfast that the* Conservatives may be tempted to make security policy in Ulster an issue at the next General Election. Mr. Neave is also due to hold talks with General House and if, in the past, Mr. Neave has not always been very popular with the Army for his intervention in security furores, this time the two men would appear to see eye-to-eye. Mr. Neave will not, however, be seeing Mr. Rees, who *flew* out yesterday for several days leave.

So far this summer, the "loyalist" paramilitarists have been keeping their heads down. *Indeed, they have scarcely* been heard of since the Rev. Ian Paisley, the Democratic Unionist leader, backed by militant United Ulster Unionist movement leader, Mr. Ernest Baird, failed humiliatingly to mobilise a Protestant vigilante force to patrol the Province. But out of sight does not mean out of mind when it comes to the 40-odd "loyalist" splinter groups and killer squads, and there remains one temporarily for*gotten problem that could easily* bring them into the arena.

That is Ulster's desperately weak economy; something even Ulstermen prefer to forget in the intervals between the major *factory closures, or threatened* closures, which this year have produced a flurry of worry at roughly two-month intervals. There have been forecasts of an 18 per cent. unemployment rate by Christmas, getting on for double the present rate, *which* is in turn almost twice the national U.K. average. Many of the likely victims are the cream of Northern Ireland's Protestant working class, skilled *men who see their work as* their birthright. Ulster's sectarian war has been almost as much about jobs as theology, and soon many more will have something to fight about.

Rough justice from British soldiers for a youth of the Bogside.

Letters to the Editor

he right to ssociate

n The General Secretary, ncil of Bank Staff ciations.

r.—*A great deal of publicity* eing given to the activities certain TUC unions who are nanding that the Labour vernment has a *fresh* look at ification under the Employ- nt Protection Act.

Mr. Booth and Mr. Varley, both isters, have indicated that would be willing to see a tening up of current legisla- It must be realised that the lation was introduced by this rnment and debated at *th to ensure that a Certifica-* Officer was truly inde- lent. TUC unions were ulted throughout the whole ess, non-TUC unions were

e have now the endeavour UC unions to take away the ty of the individual to join trade union of his choice. TUC unions are afraid of heir position; they have ed conclusively that they are apable of representing the essions, middle management piring middle management. press for certain sections he community and quite y so, but they must not ise the membership of trade s where successful negotia- have developed and where rofession has obtained a degree of differential pay ures and good conditions vice.

s claimed by certain trade s that a staff association is dependent. This argument en going on for years. TUC s have endeavoured to press nments to establish legisla- o drive staff associations f business. Their latest in the Employment Protec- Act requires every trade to establish criteria so that the meaning of inde- nce the Certification Officer ustify issue of the relative ent, yet they are still not d.

TUC unions, and there are a number, want to get on the business at hand of ping good industrial rela- In banking, where we have stablished for many years, cord is exceptional as must n by our ability to repre- ur 83,000 members.

rnments have tended to only to the TUC and the t a considerable workforce ide this machinery. They wish to belong to the TUC. will continue to operate *resent views to Parlia-* ians, Press and civil s without interference he TUC.

unions do not seem to that if a trade union can representation within the perate efficiently and be lly self-sufficient and a certificate, then it is a nion in all respects, even called a staff association, *we developing into a situa*- here the debate centres the desire for power?

l Aspinall.
hall Place, London, S.W.1.

ving ter

Mr. R. Beal

-*It is good to see that* llington (August 12) is about our efforts to save I have no doubt at all e savings he outlines in ter are the kind which made.

What I was pointing out in my letter was the fact that there is a point, it seems, at which the water board says "This far and no further." No matter how much more you save, we will charge a minimum, which will be based, not on consumption, but on the size of your works.

I accept that minimum charges are necessary, but I am convinced they are too high, and, being based on rateable value, bear no relation to the amount of water used; large premises with low water consumption pay an unrealistically high figure.

It would seem logical to base the minimum charge on the consumption of water, or as the electricity and gas Boards do, fix a minimum charge which will provide an incentive to save. "Save it" is good, but with unrealistic minimum charges, the argument doesn't hold water!

Ray J. Beal.
Burgess Products Company,
Hinckley, Leicestershire.

Supply by tankers

From Brigadier D. Locke

Sir,—There is a precedent for Mr. Farrell's suggestion (August 12) about the use of tankers as a means of supplying water to alleviate a drought.

In Hong Kong during the very severe drought of 1963-64 there was a long period from June 1963 when the piped supply was restricted to four hours every fourth day. Tankers were used to import water from the Pearl River in an operation which finally ended on June 14, 1964.

During the whole operation 1,371 round trips were completed carrying a total of 4.2bn. gallons or 19m. long tons of water which represented about one third of the total consumption during the period.

Admittedly the cost was high and the two sets of circumstances are totally different. Nevertheless, it has been done and it can be done.

D. N. Locke.
83, Westmoreland Terrace, S.W.1.

Steelworks at Shotton

From the Chairman, Publicity Committee, Shotton Steelworks Action Committee

Sir,—Your *correspondent*, Mr. Aylen (August 5), in emphasising Port Talbot's "added advantage of an adjacent deep-water harbour" neglects to mention that Shotton has an "added advantage" in Morpeth which, with *development*, is capable of an annual throughput of 10m. tonnes. Potential exists at Morpeth Terminal for the reception of large bulk carriers—a development which Mersey Docks and Harbour Board is prepared to carry out at no additional cost to British Steel Corporation.

Shotton has no lack of land suitable for any foreseeable type of development—10,000 acres of it! Indeed, a feasibility study *of such a plant*, including Concast, has already been conducted by BSC on a 40-50 acre site lying between the existing blast furnaces and the cold mills, a situation which can scarcely be described as unfavourable. BSC's updated comparison *of the costs* of hot rolled coil delivered to Shotton from Port Talbot (developed) and HRC Shotton (developed) show that the difference is 22p per tonne in favour of Shotton.

Our technical advisers have produced proposals for an investment in steel-making of £51.21m. for a capacity of 1.8m. tonnes per annum, which would give a saving of £11.38 per tonne HRC over the present Shotton costs. Such savings alone, excluding depreciation, could overtake investment costs in three to four years.

J. E. Atkinson.
2, Knights Green, Flint.

The future of stockbrokers

From Mr. F. Martin.

Sir, — Your feature article (Michael Lafferty, August 14) pondering the future of stockbrokers and stockbroking accurately assesses the plight or problems of those of us who continue to populate the Stock Exchange and its environs.

Unattributable "quotes" must inevitably pepper any such article and I raise no objections either to their use or to the anonymous donors' methods of voicing their wayward opinions. I cannot; for prior to the publica*tion of your article I would have* thought it inconceivable that any responsible member of the Stock Exchange would predict a general 30 per cent. redundancy rate in staff "over the next year or so," let alone a 50 per cent. rate.

The implementation of either conjecture would mean not that the Stock Exchange would be "*down to 100 firms in London soon*," but that it would be down to 50 or so forthwith and glad to be so.

Such *factually* unsupportable predictions, apart from undermining *essential* confidence, leads one to the conclusion that the spokesmen concerned believe in the all-my-rivals-will-go-bust thesis. Disillusionment awaits them!

I must also take issue with the several brokers who saw "little long-term future for a non-specialist middle-sized broking firm." Is there one? If there is I am sure the unfortunate partners' apprehension might be slightly assuaged by a more precise definition of the loose phrase "little long-term future." If this fails to do the trick, my firm will be delighted to take them over. After all, if they are still in business they must be specialised in something apart from bad management.

Our basic freedoms are laudable, but at times one is forced to wonder whether the world and perhaps the Stock Exchange might be a mite better off if we *had a little less freedom of* speech and a little more concentration on the freedoms of thought.

Frank G. Martin.
Senior Partner.
Le Mare, Martin and Co.
Regina House, 5 Queen Street, London, E.C.4.

Travel by rail

From Mr. I. Thomson.

Sir,—I would like to comment on a couple of points made by Sir Richard Marsh in his defence of the railways' claim to an annual £52 subsidy from each household in the kingdom as reported in your issue of July 28: "Forcing passengers off the railways by higher prices would, in many cases, cost more in *national expenditure on alterna*tive methods of travel than the amount saved in rail support costs." Regarding this, if the individual concerned values his railway journey at greater than the costs of his rail journey, then why not up his fare, soak up some of his gain, but occasion no change in his travel habits? If he values his rail trip at more than the fare (which he must do, otherwise he would not travel) but less than the cost, denying him the chance so to travel would save more in cost than it loses in benefit and there would be a net "good thing." One does not have to offer an alternative method of travel—it may be better to have less travel.

While discussing London commuter services, British Railways Board maintains that a *significant* proportion of commuters would transfer to private cars, and goes on to talk about a 20 per cent. increase in peak hour car travel. I am not familiar with current congestion on *radial routes into London in the* peak hour, but I am confident that there is not enough room on such roads in the peak hour for 20 per cent. more cars, and that, even if there were, there would be no parking space at the down-town end. Thus many of the 20 per cent. would find themselves better off to stay in their trains and pay up.

It remains an inviolable doctrine of economic thought that "thou shalt not exact in excess of the marginal production cost, except as a short term expedient to attract more resources to an industry." Let's not do anything that might attract any more resources to this particular industry! If the economic surplus generated by a railway adopting a marginal cost pricing policy is enough to cover the total (including fixed) costs of that railway then the difference between the revenue from the prices levied must come from a levy on beneficiaries who share in the generated surplus but in a non-trip dependent manner. £52 per annum from each household is as good a way as the next.

Ian Thomson.
Av. Manquehue N. 2139/303, Santiago de Chile.

Small bus services

From Mr. P. White.

Sir,—I was very pleased to see the letter from Mr. Turton (August 10) at Halton, emphasising the benefits to be gained from small-scale urban bus operation. For a number of years I have studied the annual reports of many bus operators, and find that the small, district-council fleets such as that of Halton are consistently the most successful in combining a satisfactory financial performance with *relatively little* traffic loss.

It is significant that the passenger transport executives, formed to supersede the allegedly outdated municipal undertakings in the major conurbations have generally fared less successfully, despite higher subsidies and other theoretical advantages. Between 1967 and 1973 a sample of small municipal operators displayed a traffic loss of 16 per cent. compared with a loss of 23 per cent. in areas which came under the control of the PTEs from 1969.

Within the National Bus Company, it is more difficult to draw a detailed picture since, as Mr. Turton points out, data for individual companies are not published separately. It has been stated, however, that the only subsidiaries to make a profit in 1975 were two of the smallest in the group—Southern Vectis and Cumberland Motor Services.

P. R. White,
Senior Lecturer
Transport Studies Group,
The Polytechnic of Central London, 35, Marylebone Road, N.W.1.

To-day's Events

GENERAL

Central Statistical Office publishes preliminary estimate of gross domestic product based on output data (2nd quarter).

Mr. Airey Neave, Opposition spokesman on Northern Ireland, continues visit to Ulster.

COMPANY RESULTS

Nottingham Manufacturing (half-year). Philips Lamps Holdings (half-year). Sedgwick Forbes Holdings (half-year). Transport Development Group (half-year).

COMPANY MEETINGS

Adda International, Sherlock Holmes Hotel, W., 11.30. Executex Clothes, Leeds, 11.15. London and Midland Industrials, 30, Portman Square, W., 12. Moorgate Investment, 8, Waterloo Place, S.W., 2.30. Paterson (R.), Glasgow, 11.30. Smith Holdings (Whitworth), Rochdale, 3.30. Toothill (R. W.), Aycliffe, 12.

EXHIBITIONS

"Printing for Parliament since Caxton's Time," organised jointly by Science Museum and Her Majesty's Stationery Office, Science Museum, Exhibition Road, S.W.7.

Display of commissioned work by leading British craftsmen and women in Craft Shop and Gallery, Design Centre, Haymarket, S.W.1.

OPERA

*English National Opera produc*tion of The Mastersingers of Nuremberg, Coliseum Theatre, W.C.2., 5.30 p.m.

BALLET

London Festival Ballet dance Spectre de la Rose, and Giselle, Royal Festival Hall, S.E.1, 7.30 p.m.

Dance Theatre of Harlem perform Design for Strings, The Beloved, Mendelssohn's Concerto, Agon, and Fete Noir, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

BBC Symphony Orchestra, conductors Sir Adrian Boult and John Carewe, with Gyorgy Pauk (violin) and Paul Crossley (piano), play Berg's Chamber Concerto, Wagner's Siegfried Idyll and Brahms Symphony No. 1 in C minor, Royal Albert Hall, S.W.7, 7.30 p.m.

Academy of St. Martin-in-the-Fields, conductor Neville Marriner, play music by Mendelssohn, Mozart, Falla, and Schubert, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

SPORT

Cricket: Fifth Test (final day), England v West Indies, the Oval.

COMPANY NEWS + COMMENT

S. Hoffnung tops forecast with £3.85m.

COMPARED with a forecast of not less than £3.3m. made at the time of the one-for-four rights issue last March, S. Hoffnung and Co. has achieved record pre-tax profits of £3.85m. for the year to March 31, 1976, against £2.92m. for 1974-75. At midway profits were just ahead from £1,795,000 to £1,806,000.

The year's profit was struck after net exceptional items of £305,000.

Earnings are shown to be up from 8.15p to 12.32p per 25p share. As promised, the final dividend is 2.4395p net, on increased capital, bringing the total to 3.7895p (3.445p).

The outturn for 1975-76 was unaffected by the rights issue the proceeds of which were received at the year end.

The group operates as wholesale *and general merchants*, retailers, and manufacturers.

	1975-76 £000	1974-75 £000
Group turnover	101,431	76,132
Profit before tax	3,848	2,919
Taxation	1,650	1,430
Net profit	2,198	1,489
Minorities	280	203
Extraord. credit	—	37
Making	1,918	1,323
Pref. dividend	19	19
Interim Ord.	[illegible]	122
Proposed final	430	309
Retained	1,299	873

● comment

Hoffnung's 1975-76 profits are £548,000 up on the rights issue forecast and almost a third better than the corresponding figures, with virtually all of the pre-tax growth in the second six months. This performance was flattered by comparison with a fairly depressed period and profits were boosted to the extent of around £150,000 by the depreciation of sterling against the Australian dollar. But, trading conditions were improving during the year and 1976-77, which will see the first benefits from the £1.88m. rights issue proceeds, as well as a further boost from the continued weakness of the pound, should keep profits on the upward trend. The yield of 3.8 per cent. at 104p is roughly 1.3 points above the overseas traders' average.

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Ellis & Everard recovery

FOR THE year ended April 30, 1976, pre-tax profits of Ellis and Everard recovered to £1.06m., compared with £604,472 in the previous year and £1.09m. in 1973-74.

Basic earnings per share are 5.2p (3.1p) and 5.1p fully diluted. Treasury permission has been obtained for a net final dividend of *3.5p (1.75p) making a total of 5p* against 3p.

The group's chemical division achieved sales of £10.5m. compared with £7.5m. and trading profits of £793,000 against £619,000 previously. To boost the division's overseas sales a special exports department was set up in May of *this year*.

Progress was shown by the building supplies division, which raised sales from £17.3m. to £20.9m. and trading profits to £257,000 compared with an £18,000 loss, despite the building industry remaining in the doldrums throughout the financial year.

	1975-76 £	1974-75 £
Turnover	31,481,493	24,343,118
Building materials	[illegible]	[illegible]
Solid fuel	1,135,604	1,057,694
Chemicals	10,532,601	7,509,377
Trading profit	1,328,726	913,283
Interest charges	270,540	312,630
Investment income	8,244	3,728
Profit before tax	1,058,430	604,472
Tax	610,257	316,428
Extraord. credits	31,503	13,213
Minorities	104,334	89,120
Attributable	375,332	212,141
Pref. dividends	2,783	2,783
Ordinary dividends	329,344	194,066

The division's cash flow was assisted by securing a significantly higher proportion of cash sales as distinct from credit transactions in its branches.

Chairman Mr. Anthony Everard says that although the current financial year looks like being difficult for the national economy, the group plans to increase its market share through greater efficiency and better facilities.

The chemical division plans further profitable development and the building supplies division is preparing for a return to more normal levels of trading, although this return may be some way off, *the chairman adds.*

● comment

Ellis and Everard continued to widen its share of both the building supplies and chemical products markets. The former reflects increased concentration on the DIY *trade (hence* the higher proportion of cash sales last year), while the latter owes a good deal to the group's continuing specialisation at the smaller end of the trade which larger chemical manufacturers are apparently unwilling to handle. The group also benefited from £400,000 expansion programme last year, with new branches and an export division. It could be some time before this really pays off but the group is still looking for growth in the current year and a yield of 8.3 per cent. seems to provide a sound enough backing for the shares at 96p.

Expansion by Bridon in the U.S.

Bridon's U.S. subsidiary, Bridon American Corporation has begun a $US12m. (£6.65m.) investment programme to back up its increasing involvement in the U.S. wire rope market.

The programme includes a new wire mill at Hanover Township, Pennsylvania, also the location for Bridon American's new headquarters.

In addition to the installation of new machinery at both wire rope plants a *new facility for the* production of wire rope slings and assemblies will be established at Muncy, Pa. The programme is to be completed by Autumn, 1977.

Longton second half upturn

AFTER BEING down from £373,942 to £275,796 at midway, taxable profit of Longton Transport (Holdings) improved from £722,244 to £760,380 in the year to March 31, 1976. Turnover rose from £15.7m. to £18.87m. in the 12 months.

At half-way the directors said that the outlook for the group was much brighter and they expected results for the second half to exceed those of the first.

Yearly earnings per 25p share are shown at 10p (9.4p) and fully *diluted at 8.3p (5.9p). The final* dividend is 2.29687p net for a 3.09687p (2.839075p) total.

Tax takes £358,885 (£354,745) leaving the net balance at £401,495 (£377,499).

● comment

After Longton's interim setback, when pre-tax profits fell by more than a quarter, the second half has produced a sharp increase on the back of improved trading by the steel stockholding division. For the year stockholding profits were down by only a tenth, and overall group pre-tax profits are higher by 4 per cent. thanks to the road transport division, which returned a 25 per cent. jump in profits to £296,000. Having *turned the corner, Longton* is very optimistic for the current year because of the improved profitability from stockholding, now that demand is recovering. It may be setting its sights on a recovery to the £969,000 profit of 1973-74, though interest charges are biting into the performance with a figure of *£454,000 (£317,000)* for last year and borrowings now up to £3.1m. against shareholders' funds of £3.3m. ex-goodwill. Still, the shares at 33p offer a 15.5 per cent. yield covered twice by fully-diluted earnings, while the p/e is only 4.9.

£¼m. from Beyer Peacock

RESULTS for the 53 weeks to April 4, 1976 of Beyer Peacock and Co. show an increase from £129,091 to £259,961 in pre-tax profits after the payment of £28,000 (nil) to a director as compensation for loss of office. At midway profits were £30,740 after the compensation payment compared with £92,825.

Earnings for the 53 weeks are shown at 1.459p (0.722p) before extraordinary debits. The dividend is stepped up from 0.183p to 1.365p net per 5p share.

	1975-76 £	1974-75 £
Turnover	[illegible]	[illegible]
Trading profit	344,358	178,408
Interest paid	84,397	48,317
Profit before tax	259,961	129,091
Taxation	142,813	73,385
Net profit	117,148	55,706
Extraord. debits	50,000	37,084
Attributable	67,148	19,622
Dividends	108,686	13,940

The Extraordinary item for 1975-76 consists of a further provision following the closure of Richard Garrett's Spanish operation early in 1974. It is not expected that any further provisions will be necessary.

Profits before tax for the first quarter of 1976-77 were £205,000. Comparable figures are not available.

In the light of first quarter results, the directors intend to restore the interim dividend, payable in January, 1977. The total gross dividend paid for the year will be 2.5p per share, a 19 per cent. increase over 1975-76. The Treasury has given consent to the increase.

● comment

Beyer Peacock's shareholders are faced with a difficult decision. The rejection of the 25p bid from National Chemical Industries which values shares 22½ per cent. below net worth is understandable; also the jump in last year's dividend, for a yield of 8½ per cent. at yesterday's price of 26p, and the promise of 50 per cent. gross in the current year, are clear indications of the group's confidence in further growth. The question is, though, how much of that growth is dependent on orders from National Chemical Industries? Last year these accounted for around 9 per cent. of turnover, a proportion that seems certain to rise substantially. Indeed, of the £2m. turnover for the first quarter, more than half must be attributable to NCI. Shareholders must make their decision without knowing what effect total rejection of the bid would have on NCI's plans to place further orders with the group. They may also wish to ponder the fact that the 740 per cent. hike in last year's dividend (barely covered before extraordinary items) followed the passing of the interim dividend which was passed "in view of the importance to conserve cash resources." However, it is also worth bearing in mind that NCI, which has bought a near-40 per cent. stake in the company, is unlikely to take any action which may be seriously detrimental to it.

Oceana Consd.

Pre-tax profits of Oceana Consolidated were little changed at £59,930, compared with £59,434, in the year ended March 31, 1976, and earnings per share amounted to 3.76p (3.73p).

After tax of £21,487 (£21,579), and minorities, the net attributable balance emerged at £37,585 compared with £37,130.

The dividend is raised from 3.5 per cent. to 3.85 per cent. net, the maximum permitted.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Insulators ......int.	1.5	Oct. 7	0.44	(c)	1.85
Beyer Peacock	1.37	Sept. 1	0.16	1.37	0.16
Broadstone Trust ......int.	1.2	Oct. 4	0.84	—	3.65
Danks Gowerton	[illegible]	Sept. 10	1.25	2.12	1.95
Ellis and Everard	3.5	—	1.75	5	3
English & NY Trust...int.	0.9	Oct. 1	0.8	—(a)	1.9
Geevor Tin Mines	5	Oct. 20	5	5	12
S. Hoffnung	2.44†	—	2.2	3.79	3.45
Impala Platinum	22(b)	—	15	70	45
Keyser Ullmann	0.1	Oct. 5	Nil	0.1	1.1
Longton Transport	2.3	—	2.04	3.1	2.84
Royal Insurance ......int.	5.85	Jan. 4	5.3	—	13.39
SEET	0.6	—	0.3	0.9	0.3
Thames Plywood	1.83	Oct. 5	1.6	2.53	2.3
W. and E. Turner ......int.	0.47	Oct. 1	0.43	—	1.42
Vibroplant	5.53	—	5.04	9.1	8.56

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Total of 2.1p forecast. (b) SA cents throughout. (c) Total of 3.5p forecast.

Marginal rise at Vibroplant

LITTLE CHANGE in pre-tax profit, with £1.76m. against £1.73m., is reported by plant hire specialists, Vibroplant Holdings, for the year to March 31, 1976. At halfway the figure was £0.91m. compared with £0.86m.

Earnings for the year per 25p share are 13.95p (13.84p) and a final dividend payment of 5.525p net raises the total from 8.555p to 9.1p.

	1975-76 £	1974-75 £
Group turnover	5,634,856	5,410,882
Profit before tax	1,755,264	1,729,775
Taxation	918,447	898,483
Net profit	836,817	830,292
Interim dividend	107,230	105,525
Final	165,750	151,125
Retained	563,817	573,642

● comment

Vibroplant's 4 per cent. rise in turnover is due to inflation and the newly-started Airpac Rentals. Airpac has proved a successful attempt to move away from construction and is already contributing to profits. Earnings per share only cover dividends 1½ times but this does not mean a lack of money to buy new and more equipment for hiring. Capital expenditure of £800,000 was made last year without recourse to bank lending. This high spending is made possible by deferred tax (£432,000 this time) and the waiving of dividends on 3m. shares (which saves £273,000). Nevertheless there is little hope of significant profits growth while construction remains depressed—a fact reflected in the yield of 13.4 per cent. on the shares at 110p.

Christopher Moran in reverse bid

The shares of Richardson Smith, furnishing, fabric and clothing mercandisers, have been suspended at 50p pending negotiations for a reverse take-over bid for Christopher Moran Holdings, a private company with subsidiaries acting as insurance brokers and underwriting agents at Lloyd's.

Mr. R. W. Reeves and Mr. D. J. P. Bryans, director and chairman of Richardson Smith, who own about 40 per cent. of Richardson, also together own some 15 per cent. of Moran.

The results of Richardson to April 1976, which will include the two acquisitions Halcyon Investments and Victor Cabs, are expected to be announced in the next week to ten days.

Meanwhile, outside shareholders in Richardson Smith can expect to receive details of this latest transaction between the private interests of Mr. Reeves and Mr. Bryans and their company in the next couple of months.

Energy, Finance and General Trust, is advising Richardson in this matter.

Progress by Copleys Bank

Profits of Copleys Bank advanced from £63,796 to £104,632 in the year to June 30, 1976, before a provision for group tax *relief payment of £23,880 (£17,783)* and tax of £37,244 (£24,407).

A dividend of 3.5p (2.1236p) has been paid.

The directors find the growth in current and small to medium sized deposit accounts especially gratifying. Appropriate opportunities have been taken to increase lending, consistent with maintaining a high degree of liquidity.

Although the value of the personal loan portfolio remains virtually unchanged, the volume of new business accelerated in the second half but was counterbalanced by the maturity of past loans. The Corporate Finance Advisory Services made a useful contribution and work in hand at the year-end was considerably more than at the end of last year.

The ultimate holding company —Copwa Holdings—realised certain assets in Australia during the year and repaid its indebtedness to the bank.

However, the Board feels it useful to retain links with that continent and ways are being considered whereby the bank itself may become directly involved in that area. The Board looks forward to the future with confidence.

Fraser Ansbacher optimistic

ALTHOUGH it will take some time before the full benefits of the planned reorganisation of Fraser Ansbacher will have a material effect on profits, the chairman, Mr. Maxwell Joseph is satisfied the group is both soundly based and well poised for development.

There has been a reduction of the areas of activity in which losses have occurred, particularly in property investment and the directors intend to continue this course of action, the chairman adds.

Mr. Joseph says activity in the banking, corporate finance and investment management departments of Ansbachers has increased, and steps have been taken to contain the losses in Eastwood Leisure Holdings.

There will be a continuing loss in R. Fraser Securities but directors believe a recovery in the property markets, here and in Paris, has commenced and they will continue to take appropriate opportunities to dispose of the group's remaining property investments.

For the 12 months ended April 30, 1976, the group reported a loss of £405,917 compared with a profit for the preceding year of £463,498.

Specific provisions which are of a capital nature amounting to £1.74m., have been established and are reflected in the accounts. In addition, a general provision of £750,000 has been established to cover any further diminution in the value of the non-banking investments.

Substantial holdings in the group include Associated Metals and Minerals Corporation, with 25.18 per cent., Grand Metropolitan, 16.68 per cent. and Montrose—a wholly owned subsidiary of Giltspur, 13.21 per cent.

Grand Metropolitan, Montrose and Mr. Joseph have agreed to sell, before *October 31, 1976*, a total of 7.5m. shares to purchasers acceptable to the directors of the company. Pending completion of the sale of these shares the voting rights attached thereto will not be exercised. Mr. F. R. Welsh, a director of Fraser Ansbacher, proposes to acquire up to 1.5m. of these shares.

Meeting, 1, London Wall, E.C., on September 9, at noon.

Delta-Lloyd foresees profit fall

Delta-Lloyd, the Dutch offshoot of the Commercial Union Group, announces that on turnover up 18 per cent. first-half profits showed little change, but for the *full year results are expected* to be down on 1975's Fls.44.9m. (nearly £9m.).

First-half profits achieved in the life assurance sector improved, whereas profits in the accident *insurance* sector were "substantially lower," the directors report.

The latter was caused by, among other things, the effects of a storm on January 3, and adverse developments in the Bourse activities, covering fire as well as liability sectors.

Premium income from life insurance for the 26 weeks rose by 31 per cent. to *Fls.276m.*, premium income from accident insurance was up 16 per cent. to Fls.325m., while investment income advanced 19 per cent. to Fls.160m.

ISSUE NEWS

Islington—£15m. of 13½% stock 1982

Application lists open on Thursday for an issue of £15m. of 13½ per cent. Redeemable Stock 1982 by the Islington Corporation. The issue is priced at £99¼ per cent.

The stock is payable as to £10 per cent. on application with £40 due on October 1 and the balance of £49¼ due on November 26.

Interest on the stock will be payable half-yearly on May 15 and November 15. The first payment of £7.4883 per cent. gross will be made on May 15, 1977. At the issue price the grossed up running and redemption yields are 13.568 per cent. and 13.607 per [cent.] respectively.

The stock will be redeem[ed at] par on November 15, 1982. Br[okers] to the issue are J. [and] Scrimgeour.

See Lex

BRABY LESLIE

The rights issue by Braby to raise £914,000 on the ba[sis of] one-for-three at 52p each has [been] taken up as to 87.08 per [cent.] *The balance has been sold* [at a] premium and the net pr[oceeds] will be distributed to e[ntitled] shareholders.

Continued headway at Danks Gowerton

WITH PRE-TAX profits up from £0.81m. to a record £0.93m. in the year to March 31, 1976, Mr. A. J. S. Roe, chairman of Danks Gowerton, *explains* that the major factor in achieving the results has been the substantial increase in turnover of the engineering division.

The prospects of maintaining throughput during the current year are reasonably good, he says, but this may be at slightly lower margins.

Earnings per 25p share for the year under review rose from 10.344p to 11.369p and the dividend total is lifted from 1.95p to 2.121875p with a final payment of 1.421875p net.

The chairman reports that sales of the steel division for the first quarter of the current year are ahead 80 per cent. and the South Wales works is well placed to take full advantage of an upturn in the economy in the second half. However, margins will remain depressed until demand is sustained.

Mr. Roe has sufficient confidence in the strength of the group to feel justified in the formation of four new *subsidiaries. The direc*tors are of the opinion that the profit contribution of the newly formed companies during the coming year will not materially affect profits, and, with the additional finance made available, the period of development should not be to the detriment of the performance of the existing engineering and steel divisions.

At July 20 Industrial and Commercial Finance Corporation held 13.9 per cent. of the company.

Meeting, Dudley, on September 9 at 11 a.m.

● comment

The 37 per cent. growth at Danks Gowerton has not come through to earnings, which have risen by only 10 per cent. The steel division has suffered from foreign competition which has kept prices and, therefore, margins down. The engineering division has benefited from continued strong demand for specialised equipment in the oil, gas and petrochemical industries. Exports have risen by 173 per cent. but still account for only 9 per cent. of turnover. The chairman's statement is cautious, but the groundwork to take advantage of economic recovery has been laid with new services, products and factory space. The yield of 8.2 per cent. on the shares, at 41p, is covered a comfortable 5.4 times.

unit. Last year, net ea[rnings] totalled £764,811 equal to 2.1[...]

The interim dividend is [raised] from 0.8p net to 0.9p and [on the] basis of present estimate[s the] directors hope to recomm[end a] final of 1.2p making a total [of 2.1p] compared with 1.9p previo[usly].

At June 30, valuation of [invest]ments, including net c[urrent] assets amounted to £[...] (£33.8m. at December 31, 19[75, in]cluding 100 per cent. of the [invest]ment dollar premium amo[unting] to £5.36m. (£5.78m.).

Net asset value per sto[ck unit] was 84p (79p) and 82½p [...] adjusted for loan stock conv[ersion].

First half advance b[y] Wolf Too[ls]

IN THE first half of 1976, sales of Wolf Electric Tools [(Hold]ings) rose from £5.32m. to [...] and profits expanded from [...] to £0.99m. before tax, [...] compared with £0.44m.

The chairman Mr. G. [...] says that with half-yea[r] volume in line with forec[ast and] growing confidence in t[he] market, targets set for 1976 [will] be met. While the rapid [expan]sion in profits by overse[as subsi]diaries in recent years has [...] out, the group results shou[ld com]pare favourably with 1975 [when] profits reached £1.55m.

The 19.8 per cent. first [half in]crease in sales included [...] cent. attributed to the re[...] in sterling. Most main[...] contributed towards the in[crease.] Profit does not include in[crease] in the value of overseas net [assets] in terms of devalued sterl[ing nor] the surplus on the sale of [over]seas property; these item[s total] approximately £200,000 at J[une] exchange rates.

Scottish Life Assurance

Scottish Life Ass[urance] Company reports that for th[e first] half of 1976 net new pre[miums] secured (including [single] premiums) exceeded £3.78[m.;] new sums assured ex[ceeded] £124m. and net new imm[ediate] and deferred annuities ex[ceeded] £3.12m.

English & NY Trust

Net earnings for the Ordinary stock of the English and New York Trust Company increased from £401,426 to £443,872 in the first six months of 1976 equal to 1.19p against 1.1p per 25p stock [unit.]

Royal surges to £34.5m. mid-term

THE FIRST HALF of 1976 at Royal Insurance Co. sees pre-tax profits more than doubled from £16.8m. to £34.5m.; already ahead of the £32.73m. for the whole of last year.

Half yearly earnings per 25p share jumped from 8.2p to 14.6p and the interim dividend is increased from 5.3p to 5.83p net—the total payment for 1975 was 13.387p.

The underwriting loss for the 26 weeks was £8.2m. (£12.3m.). This includes U.S. deficit of £13m. (£13.7m.) and profits from elsewhere of £4.8m. (£1.4m.). Investment income expanded from £27.9m. to £41.3m.

Chairman Mr. D. Meinertzhagen points out that the underwriting loss is less than the loss at the end of the first quarter, which stood at £15.9m. Quarterly figures do not give a reliable guide to the outcome for the year and the sharply differing underwriting results of the first and second quarters underline this point. In the first quarter there was an exceptionally high incidence of storm catastrophes, in the second quarter the reverse applied.

The effect of the depreciation of sterling on comparison of half year results is significant, he reports; underwriting results being adversely affected to the extent of £2m. and on the other hand investment income benefiting by some £5m.

New life and annuity premiums totalled £7.8m. (£6.7m.) and single premiums £6.5m. (£5.1m.). New sums assured amounted to £441.6m. (£361.8m.) and new annuities per annum £14.2m. (£15m.).

Operating ratios for the U.S. are: claims as percentage of earned premiums 79.1 (79.6) and expenses as percentage of written premiums 27.4 (28.9).

Statement Page 19
See Lex

Profits for the 26 weeks were struck after depreciation of £103,635 (£93,816) but before tax £101,000 (£90,000). There are extraordinary credits of £5,979 against £6,638 leaving £57,256 compared with £47,506.

SEET recovers to peak £0.4m.

FOLLOWING the increase from £134,000 to £175,000 in the first six months, pre-tax profits of Scottish, English and European Textiles rose from £175,180 to £419,815 in the year ended April 30, 1976, and the directors say the current year has started well.

Turnover for the year increased from £6.57m., to £7.61m., including exports of £2.87m. against £2.24m.

A net final dividend of 0.6p makes a total of 0.9p per 20p share compared with a single 0.3p payment previously, and with 1.428p in 1973-74 when profits totalled £300,318.

Tax takes £232,447 (£113,175) and minorities, £27,983 (£10,826). There are extraordinary credits of £1,939 (£36,169 debits) and an amount of £125,210 (£872) is retained.

Birmingham Mint sees more growth

The chairman of Birmingham Mint, Mr. W. R. P. King is confident that the current year will show a further advance and that the investment programme—the biggest in the group's history—will ensure continued profitable growth in the future.

The £1m. investment programme at Icknield Street will be completed in the current year and will result in lower unit costs, reduced stock levels and increased capacity—the benefits have already started to show through in higher profits, the chairman says.

For the year ended March 31, 1976, pre-tax profit was £260,432 compared with a £122,877 loss previously. Turnover improved from £6.53m. to £7m.

Order books for coins and blanks continued at a satisfactory level throughout the year and the general level of prices obtained was much improved over previous years, the chairman says.

During the year the 27 per cent. holding in the group by First National Finance Corporation was transferred to National Transport Tokens.

Mr. King intends to retire as chairman next March and will be succeeded by the vice-chairman, Dr. Basil Bard. Meeting, Harborne Road, Birmingham, September 9 at noon.

Confidence at Astra Securities

The directors of Astra Securities tell shareholders that in the absence of unforeseen circumstances, they view prospects for the current year with confidence.

Additional progress from all activities would be greatly enhanced by an increase in engineering activity generally and there are now some indications that turnover is increasing.

In a document concerning the recent rights issue, the directors say the proceeds will be used to expand the electrical, engineering and machine tool capacity at the works at Aston, Birmingham.

As reported with the rights issue and a one-for-10 scrip, pre-tax profits for the year ended April 30, 1976, rose from £548,012 to £789,019 on turnover of £8.16m. against £7.2m. Treasury consent has been obtained to increase the dividend in the current year.

A statement of the source and application of funds shows a decrease in bank balances and cash of £384,908 (£406,113 increase).

Meeting, Birmingham, September 8, at noon.

W. & E. Turner up at midway

Retailers of footwear, hosiery, handbags, etc., W. and E. Turner reports pre-tax profits up from £130,938 to £152,277 in the 28 weeks ended June 26, 1976. Turnover rose slightly from £3.25m. to £3.57m.

The net interim dividend is 0.4675p against 0.425p. The total last year was 1.41875p from pre-tax profits of £507,115.

Advance for Broadstone Trust

Revenue available for Ordinary holders of Broadstone Investment Trust increased from £233,882 to £251,539 in the first six months this year. The figure in 1975 was £495,409.

Income was up from £397,086 to £422,714, including income from dividends and interest of £570,966 (£521,351) and underwriting commissions of £25,587 (£12,364).

Total net assets at June 30, taking investments at market value, including the full investment currency premium, but before deducting debenture, Preferred and loan stocks and the currency loan were £25.89m. (£24.39m. at December 31).

Net asset value per share was 137½p (151¼p) and 158¾p assuming full conversion of the loan stock.

The net interim dividend is 1.2p per 20p share against 0.84p—the previous total was 3.85p.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
—	F.P.	—	10½	8½	Automated Sec. 10p	9¾	−¼	40.65	2.5	10.3	5.9
—	F.P.	—	£26¼	£21¾	Berry Pacific Fd. US$1	£24¼	−1⅛	40c	—	0.8	
80p	F.P.	—	70	65	Borthwick (Thos.) 50p	69	......	5.5	3.0	12.3	6.2
—	F.P.	—	£31⅞	£23⅛	Esmark $US1	£24⅛	−⅛	Q$1.52	—	3.5	—
235	F.P.	15/9	235	204	Hambro Life Assur.	206	−1	15.75	—	10.3	
—	F.P.	20/8	62	57	Leech (Wm.) Builders	62	......	25	2.1	12.6	5.9
120	F.P.	25/9	111	104	Molins	108	......	6.5	2.4	9.2	6.9
US$2.06	F.P.	—	$2.25	$2	Renown Inc. Y50	$2.22	−0.02	Q 15%	—	0.8	
11	F.P.	—	112	96	Tolux S.A.	112	......				—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100	100	Agricultural Mortgage 15% Bond 1982	100	......
£99	F.P.	26/8	99	97¼	Birmingham (City of) 15% Red. Stock 1985	99	......
£10		—	10	9⅞	G.T. Asia (sterling) Fd. Ptg. Red. Prf. (1p)	10	......
**98	£10	3/9	10½	10	Mid Kent Water 8% Red. Prf. 1981	10	......
US$99½	F.P.	—	$99	$99	Nat. Coal Board 8½% Guar. Notes 1981	$99	......
US$100⅜	—	—	$103⅜	$100⅜	New Brunswick (Province of) 8⅞%	$100⅜	......
††£100	£10	—	10	10	Portsmouth Water 8% Red. Prf. Stk. 1981	10	......
£5100	Nil	12/11	99¾	99¼	Royal Tst. Mort. 9½% Red. 1982	99¾	......
£97.5	£50	30/7	50⅝	49¼	Sandwell (Met. Borough) 15% Red. Stock 1982	50⅝	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
115	F.P.	9/7	13/8	142	130	AAH	139	......
30p	F.P.	—	—	46	38	Airfix Inds.	42	+1
70p	F.P.	30/7	27/8	135	126	Allied Colloids	130	......
13	Nil	—	—	2¼	2¼	Astra Secs.	2¼ pm	......
52	F.P.	13/8	10/9	67	60	Braby Leslie	67	+5
38	F.P.	19/7	27/8	44	41½	Charterhouse Grp.	43	......
14	F.P.	16/6	30/7	17½	14½	Coalite & Chemical	16½	......
15	F.P.	10/8	17/9	18¼	15½	Ewer (George)	16	......
29	F.P.	21/7	18/8	38	34	Hargreaves Group	38	+½
118p	Nil	26/8	24/9	31	28	Hogg Robinson	30pm	......
25	F.P.	13/8	10/9	31	25½	Kwik Fit (Tyres + Ex.)	31	......
183	Nil	19/8	24/9	31	16	National Westminster	29pm	−2
21	F.P.	22/6	20/8	24	22½	Press (William)	24	......
22½	F.P.	26/7	8/9	27¾	25	Readicut Intl.	26½	+½
100	Nil	19/8	1/10	30	19	Reed Intl.	30pm	+4
178	F.P.	6/8	3/9	210	198	Rowntree Mackintosh	208	......
24p	Nil	2/8	8/10	28	23	Second City Prop.	24	......
58	F.P.	19/7	27/8	74	61½	600 Group	73½	......
20	F.P.	10/8	2/9	35½	28	Vernon Fashions	29	......
$A1.28	F.P.	18/6	—	140	85	Western Mining	132	+1
60	F.P.	9/7	20/8	109	24	W.G.I.	92	......
76	F.P.	17/8	1/10	97	88	Whitecroft Ind.	94	+1
70c	P.Pd	—	—	81	57	Woodside-Burmah	77	+7

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. w Figures based on prospectus or other official estimate for 1976. r Figures assumed. § Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¾ Offered to holders of Ordinary shares as a "rights." ♥ 280 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ● Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ∫ With warrants. ф After suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Kloeckner planning DM137m. acquisition from Flick

BY GUY HAWTIN

FRANKFURT, August 16.

KLOECKNER-WERKE to-day announced a deal that will make it West Germany's third largest steelmaker. *It plans to acquire a 51 per cent. majority in Eisenwerk-Gesellschaft Maximilianhuette from the Flick Group.*

The deal, worth an estimated DM137m. (£30.1m.), is to go through on January 1 next year. At the same time, the Duisburg-based steelmaking and processing concern will be given an option, open until January 1, 1979, to acquire the remaining 49 per cent. Flick holding for a future DM132m. (£29m.).

Details of these proposals drawn up by the two executive Boards has been laid before the supervisory body of both concerns. Furthermore the take-over will need the approval of both the EEC Commission and the West German Federal Cartel office in Berlin. This, however, is seen as no great problem.

A spokesman for the Flick Group to-day described the deal as being part of the "rearrangement of the Flick wardrobe." As for the sale of its holdings in Daimler-Benz to the Deutsche Bank, the proceeds, he said would be reinvested in industry.

Undoubtedly the sale makes strong sense to the Flick group. The steel industry in West Germany—and all over the world—has been having a thin time of *late with low demand and widespread over-capacity.* If no sales had been forthcoming, Flick would have had to bear the entire investment burden, to equip "Maxhuette" for the next decade.

While it can be argued that the take-over will make the long-term future of "Maxhuette" more secure through increasing its market potential and improving export prospects, the implications for its labour force of 7,500 are still unclear. However, it has been stated that plans to cut back the work force by 1,000 men will not be affected.

important foothold

Dr. Herbert Gienow, Kloeckner's Executive Board chairman, said that the Duisburg-based *concern would increase its share* capital to finance the deal. Other extraordinary financial measures would also be needed. However, he pointed out that necessary expenditure remains within current depreciation volume limits.

For Kloeckner, which will be paying 269 per cent. of the nominal value of the Flick Group's shares, the deal holds a number of attractions. For a start, it will make the Federal *Republic's third largest steel producer* with a work force of 30,000 and an external turnover of DM6bn. (£1.32bn.). However, its output of 6m. tonnes of crude steel and 6.6m. tonnes of rolled steel will still leave it a good way behind the Thyssen Group and Hoesch-Estel.

If the proposal goes through "Maxhuette," located in Sulzbach-Rosenburg, will give Kloeckner an important foothold in the South German production area. It will also bring with it "Maxhuette's" own iron ore deposits, which have reserves sufficient for a further 20 years. These are estimated to supply between 35 per cent. and 40 per cent. of "Maxhuette's" total needs.

The addition of the steelworks to Kloeckner's productive range will also mean an important increase in Kloeckner's production range. It will add products in the steel profile sector, electrical steel sheets and seamless tubes, whilst production potential in the field of thin metal plate and steel bars will be substantially increased.

Gelsenberg losses reduced

ESSEN, August 16.

GELSENBERG said in a letter to shareholders that trading improved in the first half of 1976 compared with the same period last year but the company is still loss-making.

The company, which is active in petroleum exploration and production as well as nuclear energy projects, previously reported an operating loss of DM100m. in the 1975 first half. Figures were not given for first half 1976 results. Gelsenberg is 96.1 per cent. owned by Veba, the 43.7 per cent. Federal Government owned oil and energy concern, and is being integrated into the Veba organisation.

Gelsenberg said its external turnover, excluding petroleum tax, in the first half declined 55 per cent. to DM600m. from DM1.4bn. in the same period last year.

The formal fusion of Gelsenberg into Veba has been delayed by a court action initiated by the German Protection Association for Securities Ownership (Deutsche Schutzvereinigung Fuer Wertpapierbesitz), which contends that Veba's offer to remaining independent Gelsen*berg shareholders* is inadequate.

Gelsenberg said an appeal against this action would be taken directly to the supreme court at Karlsruhe.

GHH Gutehoffnungshuette Aktienverein, the large West German machine maker, said that according to preliminary figures its domestic group had sales of DM10.9bn. in the fiscal year ended June 30, up 10.2 per cent. from the previous year's DM9.9bn.

Earnings have, reportedly, improved. The parent company's earnings during the past fiscal year consisted essentially of dividends paid by its subsidiaries from the previous fiscal year, ending June 30, 1975, so that the earnings improvement in the past year would first be reflected in the parent company's report for the coming fiscal year.

But the GHH management Board said this year's profit allowed it to recommend an unchanged 14 per cent dividend on a share capital of DM362.8m. In the previous year, GHH paid a 14 per cent. dividend on a share capital of DM225m.

Of total sales in the past fiscal year, DM4.8bn., or 44.2 per cent., represented export sales. This marked a 23.9 per cent. increase from DM3.9bn. in the previous year when exports made up 39.4 per cent. of total sales. Domestic sales were up 1.3 per cent. to DM6.1bn.

Order inflow for the fiscal year totalled DM11.6bn., significantly above sales for the year but 2.5 per cent. below the DM11.9bn. of orders received in the previous fiscal year.

Foreign orders were up 10.3 per cent. to DM5.7bn., or 49.6 per cent. of total orders against 43.8 per cent. the previous year. Domestic orders declined 12.6 per cent. to DM5.8bn.

AP-DJ

Sydvaranger and Korf agree DM400m. iron ore plant

BY NICHOLAS COLCHESTER

BONN, August 16.

SYDVARANGER, the Norwegian iron ore producer, and the Korf Group of West Germany are to co-operate in the construction of *a DM400m. direct reduction plant* sited near Emden. The final agreements have yet to be signed but a Korf director, Carl-Theodor Meinecke, confirmed to-day that the project is now a virtual certainty.

The State-controlled Norwegian company will have a 74.9 per cent. share in the plant which will use the Midrex direct reduction process to turn iron ore into iron. Korf will supply the necessary technology. Sydvaranger's contribution will be natural gas to fuel the plant bought from the Norwegian Government at a price that should make the output price-competitive.

According to an analysis of the project in the latest edition of the German magazine, Spiegel, Herr Willy Korf, a successful newcomer to the West German steel business, had tried to set up the Emden plant in co-operation with the steel company, Hoesch. This attempt failed after long negotiations with Ruhrgas, West Germany's largest natural gas distributor, had not arrived at a fuel price that would have made the reduction *plant a business success.*

Hoesch pulled out of the discussions, and Korf turned to Sydvaranger which had already asked Korf for the know-how needed to build an iron plant on the Norwegian island of Stavanger. Because of its relationship with the Norwegian Government, Sydvaranger was able to buy gas from the Ekofisk field in the North Sea and make it available to the Emden plant at a price below that offered by Ruhr Gas. The Norwegian Government takes this gas as a royalty payment from companies operating in the Ekofisk field.

The Korf-Sydvaranger deal will add substance to the talks on co-operation in the energy and industry fields which the West German Economics Minister, Hans Friderichs, will hold with his Norwegian counterpart in Oslo at the end of this week.

Mexico aims for $150m. more

BY MARY CAMPBELL

HARD on the heels of the Nacional *Financiera's* (Nafinsa) big Euromarket financing, which was signed yesterday, a $150m. loan for another Mexican public *sector borrower* has been launched.

The borrower in the case of the new loan is Financiera Nacional Azucarera (Finasa), the 98 per cent. state-owned financing arm for the sugar industry.

The new loan, for which Bank of America is the lead manager, is for a five year maturity with a grace period of 2½ years. It is reported to offer a spread of 1½ per cent. with participation fees ranging from ½ to 11-16ths per cent.

These terms are rather different from those of the previous loan, for Nafinsa, for which Libra and Morgan Guaranty were joint lead managers. The Nafinsa loan is in two tranches. One is between $30m. and $40m. is for five years (with no grace period) and will pay a fixed rate of 1½ per cent. over the five-year LIBOR.

Better Wilhelmsen results

BY FAY GJESTER

OSLO, August 16.

WILH. WILHELMSEN, Norway's largest shipping group, predicts in its half-year report that overall results for 1976 will be better than last year's, despite an anticipated slight fall in freight earnings from the 1975 figure of Kr.1.7bn. gross.

The improvement will largely reflect income from sales of shares and four of the group's ships. Liquidity is good, no Wilhelmsen ship is laid up, and all the group's workers on sea and on land are fully employed.

The report says results from liner operations are likely to be somewhat poorer than last year, though good earnings in some areas of the world will partly offset decline in others. Lines to America have been most affected by the weaker trend, and turnaround delays have been a problem on lines serving the Persian Gulf.

Hutchison S. moves in on O'Connor

By Our Own Correspondent

SINGAPORE, August 16.

HUTCHISON International Singapore, a wholly-owned subsidiary of the Hong Kong-based trading group, Hutchison International, is making a bid for the whole of the issued capital of H. A. O'Connor, a Singapore-based trading company.

Hutchison is the third major company making a bid—for O'Connor over the past three months. Cycle and carriage was the first to attempt a take-over but its bid of $S97 per share was unsuccessful. Wearne Brothers was the next company to bid for O'Connor's capital. Wearne's offer of $S105 per share has still not lapsed but Hutchison's latest move suggests that its attempt may be petering out.

Hutchison which at present has no shares in O'Connor is proposing an offer of $C110 per share in cash. The proposed offer is conditional on Hutchison receiving acceptances of at least 51 per cent. of the entire 75,000 shares in O'Connor.

O'Connor which is owned by British and local interests trades in photographic equipment, television and film equipment, electrical goods, and installation of telecommunications equipment, medical, dental and other consumer goods.

NSU sees profits fall to Fls.42m.

NSU, Holland's largest shipping group, saw its net profits fall to Fls.42m. in the first half of this year from Fls.60.2m. in the same half of last year as a result of the recession affecting world trading. But group reiterated statements made at the end of April that profits for the whole of the year would trail "somewhat" behind those of 1975 (Fls.101.9m.), writes Michael Van Os.

In a statement released in Rijswijk to-day, the company added that as expected, the decline in the figures had been halted in the first quarter and that "some improvement" had followed since. That trend was expected to continue in the second half.

Wheelock investigation

HONG KONG, August 16.

THE HONG KONG police Commercial Crime Office is to investigate the large transactions in Wheelock Marden and Co. shares recently disclosed by a local securities commission inquiry.

The commission inquiry found that certain major shareholders, who were not named, sold large blocks of Wheelock "A" shares between October, 1975, and mid-January, 1976.

The commission said it was advised that the transactions did not constitute an offence under existing provisions of the securities ordinance.

Reuter

French electrical sales increase

BY RUPERT CORNWELL

PARIS, Augus

A VERY cheerful batch of first half figures has come in from the leading French electrical companies, confirming earlier predictions that the year would show a distinct improvement from the somewhat flat 1975.

The results themselves are, in keeping with French practice, the bare minimum to satisfy current Bourse requirements. They give scant breakdown, and contain no details of earnings, consolidated or otherwise, which will probably not be available until next month at the earliest.

The largest of them, Compagnie D'Electricitie (GCE) has reported a 17.5 per cent. jump in first half group turnover to Frs.9.3bn. (£1.05bn.). Just six weeks ago the CGE president, M. Ambroise Roux had told shareholders that for the full year the improvement might be of 15 per cent. coupled with a "substantial" rise in consolidated income.

A smaller rise has been announced by CGE's heavy electrical subsidiary, Alsthom—shortly to merge with the diversified shipping concern, Chantiers De L'Atlantique — from Frs.2.42bn. to Frs.2.74bn. (£300m.) in the first six months.

CIT-Alcatel, the group's telecommunications offsho for its part reported a jump of 23 per cent. to Fr (£155m.), underlining importance which M. attaches to the sector.

The other dominant group, Thomson-Brandt fared if anything even Sales over the first half a 23 per cent. impro from 1975, at Frs.7.2bn. (on a consolidated basis—a total does not include t sults from LMT (formerly sidiary of ITT) and E France, the two phone panies acquired by Thom part of the re-organisa the French telecommuni sector last May.

For French Ericsson, t come for the first half was of over 30 per cent. to Fr from Frs.368m., and for improvement of 18 per almost Frs.831m. Thoms the group's sophisticate tronics and weaponry turned in a 23 per cent. to Frs.2.4bn.

Finally, La Teleme Electrique has report months sales of Frs.614m. Frs.544m. in the first 1975.

Boliden forecasts recov after losses in 1975

BY JOHN WALKER

STOCKHOLM, Augu

AN UPWARD adjustment of the pre-tax profit is forecast by Boliden, the Swedish metals and chemicals group, in their interim report for the first six months of this year. From an actual loss of Kr.32m. for the whole of 1975, the company *expect that this year there will* be a profit amounting to Kr.69m. (£8.6m.). The pre-tax profit for the first half of this year amounted to Kr.54m. (£6.5m.) compared with Kr.52m. for the same period last year.

Group sales during the first half of this year amounted to Kr.1.0bn. compared with Kr.1.1bn. in the same period in 1975. Group sales for the whole of 1976 are forecas by Kr.114m. to a t Kr.3.4bn.

In the first half of th group earnings kept pa the general economic upt report states. But, the o profit estimated for the y whole is still considered factory. The sharp declin price of gold has reacte on earnings.

Last year the company fell to the lowest ever, f the highest recorded Even though a slower growth for the second 1976 cannot be ruled report says, there are gro an upward adjustment estimated group operatin

Amatil borrows $A10n

BY JAMES FORTH

SYDNEY, Augu

ALLIED Manufacturing and Trading Industries plans to raise $A10m. from shareholders and noteholders with a debenture issue.

The tobacco, food and packaging group is offering a top rate of 11.4 per cent. for 15 years which is well below the rates in previous industrial fixed interest issues. The other rates offered are 10.7 per cent. for six years, 11 per cent. for eight years and 11.3 per cent. for 10 years.

Interest rates have been sliding for some months. At the start of the year solid industrials such as Swan Breweries, Toohey's and James Hardie were offe per cent. to 13.5 per c medium terms funds months ago Australia's industrial borrower Brol Proprietary paid 11.5 p for $A20m. in 10 years tures.

Not only has Amatil BHP's 10 year rate but stepped out to 15 year industrial company has out to 15 years since m when several leading co including Tubemakers a Lysaght, failed to attrac offering 13.5 per cent. years.

PALA

U.S. COMPANIES

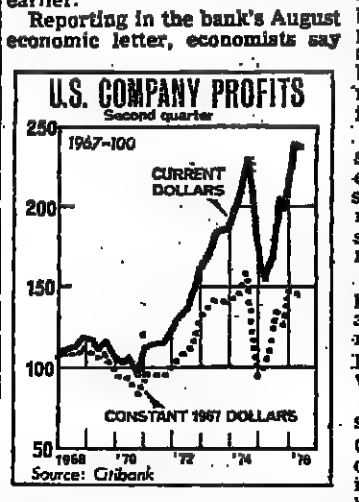
Mixed trends for second quarter profits

FINANCIAL TIMES REPORTER

SECOND QUARTER profits of U.S. corporations rose 30 per cent. over levels registered a year ago, but showed little improvement over this year's first quarter, a new Citibank survey reports.

Earnings of the 1,694 firms reporting to date totalled $16.8bn. Significantly, this same group of corporations reported first-quarter profits averaging 41 per cent. higher than a year earlier.

Reporting in the bank's August economic letter, economists say



profits for both manufacturing and non-manufacturing firms rose 12 per cent. in the second quarter over the first reporting *period. The second quarter after*-tax profits of the 1,116 manufacturing firms surveyed were 13 per cent. higher than the first quarter of the year, about the same as the usual seasonal movement at this time of year.

According to the bank's index, the seasonally adjusted proportion of manufacturers having profits higher than in the preceding quarter declined to 57 per cent. from 62 per cent. in the first quarter.

With the exception of the rubber industry, which has been affected by a protracted strike, all 22 manufacturing industries in the survey reported profits higher than a year before. As Citibank economists have cautioned before, however, the size of this year's gains may only reflect how poorly the industry was doing a year ago.

Examples of this phenomenon are the auto and textile industries. Profits in the auto industry were 245 per cent. higher than in the second quarter of 1975 while the textile industry reported increases of 137 per cent. over the same period.

The glass, cement and building materials industry posted gains of 67 per cent. on a year-to-year basis while electrical equipment and electronics firms and apparel manufacturers showed gains of 53 per cent. and 59 per cent. respectively over the same period last year.

Smaller gains were registered by non-electrical machinery producers and drug and tobacco companies, all having had strong profits in early 1975. Airlines and railroads made strong comebacks over last year while the mining industry barely matched its year-earlier peformance.

Citibank economists note that second quarter 1976 profit experience should not be regarded as a significant setback to the business recovery. Easy gains in earnings such as those experienced in recent months are over, they say.

Future improvements in profit margins will involve close attention to costs, and improvements in the dollar volume of profits will be more in line with what happens to sales.

Just as the economy in the second quarter was settling down to a more sustainable rate of growth, the Citibank economists say, so are profits pausing before resuming a steady, though less spectacular, advance in the year ahead.

Phillips Petrol sees 1976 profits well ahead

GENEVA, August 16.

PHILLIPS Petroleum's net income this year will be up 20-25 per cent. from $342.6m. (or $4.50 a share) in 1975. Robert Sears, senior vice president forecast.

Total revenues should be up about 10 per cent. from $5.2bn. in 1975, he told newsmen.

In the first half this year, Phillips net income rose to $187.1m. from $165.9m. a year earlier. Revenues totalled $2.8bn. up from $2.5bn. in the 1975 first half.

However, the company's net income in the 1976 second quarter was down to $89.6m. from $111.2m. a year earlier on revenues of $1.4bn., up from $1.3bn. The second quarter earnings decline was attributed by the company to higher foreign and U.S. taxes, higher raw material costs and an $8m. loss from the cancellation of a tanker construction contract.

AP-DJ

Second bid for Richmond Corp.

NEW YORK, August 16.

RICHMOND Corporation, a holding company with the life insurance company of Virginia as its major subsidiary, has received its second bid in two months, this time from U.S. Fidelity and Guaranty, tenth largest in premium volume among U.S. insurance companies.

The first bid came in July from Continental Group (formerly Continental Can)—a leading producer of metal cans. Terms of the new bid are not yet available, but they are likely to exceed "significantly" those of Continental ($230m.).

Meanwhile Continental remains interested, and is still in the running. Such an acquisition would represent a considerable diversification for Continental, the principal reason for the interest being that the in business is a "capital ger business," which would company in its other ende

Loew's earnings u

LOEWS Corporation, no ranking U.S. cigarette p with brand names such a and a hotel and theatre has reported second quart ings up from $1.57 a s $1.74, Our New York Staff. Net earnings are $22.6m pared with $20.3m. Net e include realised investmen of $6.8m. compared with and equity in earnings ciated companies of $2.5m. a loss of $220,000. Fully share net earnings are versus $1.19. Revenue $711.7m. compared with $

Half year net earnin $40.1m., or $3.10 a share $39m., or $3.02 a share. T earnings include realised ment gains of $12.6m. $14.3m. and equity in earn associated companies of versus $1.9m.

SELECTED EURODOLLAR BOND PRI
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	103	103¼
Aquitaine 10pc 1985	104½	105¼
Bowater 9½pc 1986	101½	102¼
Caisse National Autoroute 9pc 1986	99½	100½
C.N.E. 9¼pc 1985	101¼	102¼
E.C.S. 9¼pc 1986	101½	102
E.I.B. 9¾pc 1985	103½	104
Erap 9¾pc 1985	102¾	103½
Esso 8pc 1986 Nov.	100¾	101½
Eurofima 8½pc 1983	100½	101
Granges 9½pc 1985	102¾	103½
I.S.E. Canada 9½pc 1986	102¾	103½
Massey Ferguson 9½pc 1991	102	102¾
Michelin 9½pc 1986	100¾	101½
Modo 9½pc 1983	102½	103½
National Westminster 9pc 1986	100	100½
Norpipe 9½pc 1986	101½	102
Norsk Hydro 9½pc 1986	103½	104
Oslo 9pc 1988	100¾	101½
Pacific Light 8pc 1983	96½	97
Prov. Quebec 9pc 1984	101½	102
Sandvik 9½pc 1986	102½	103
Scanraff 8½pc 1983	99½	100½
S.F.E. 9pc 1983	100¾	101½
Shell 8pc 1986	101	101½
Standard Oil (Ind.) 8½pc '85	103½	104
Svenska Handels 9½pc 1986	101½	102½
Volvo 9½pc 1985	103½	104½
NOTES		
Bank of Tokyo 8½pc 1981	101	101½
Barclays 9½pc 1982	103½	104
British Gas 9pc 1981	100	100½
Charbonnages France 8½pc 1981	100	100½
Denmark Mort. Bk. 9pc '83	101½	102
E.C.S. 8¾pc 1981	101	101½
E.E.C. 8¾pc 1982	97½	98
Montreal Urban 8½pc 1981	98	98½
Nacional Financiera 10pc 1981	103½	104
National Coal Board 8½pc 1981	98½	99½
New Brunswick Prov. 8¾pc 1983	101½	102¼

	Bid
Seagram 9pc 1983	103½
Source: White Weld Securities.	
CONVERTIBLES	
American Express 4½pc '87	83½
Ashland 5pc 1988	93½
Beatrice Foods 4½pc 1992	99
Beatrice Foods 4½pc 1992	*118*
Borden 5pc 1992	109
Broadway Hale 4½pc 1987	77
Canon Camera 7½pc 1990	143
Carnation 4pc 1987	84½
Chevron 5pc 1988	117
Dart 4½pc 1987	87
Eastman Kodak 4½pc 1988	114
Economic Labs 4½pc 1987	73½
Fed. Dept. Stores 4½pc '85	109
Firestone 5pc 1988	89
Ford 6pc 1986	97½
Ford 5pc 1988	87
General Electric 4½pc 1987	83½
Gillette 4½pc 1987	75½
Gould 5pc 1987	109
Gulf and Western 5pc 1988	97½
Harris 5pc 1992	85
Honeywell 6pc 1986	96
ITT 4½pc 1987	76
Komatsu 7½pc 1990	108½
J. Ray McDermott 4½pc '87	144
Mitsubishi Elec. 7½pc 1991	104½
Mitsui 7½pc 1990	104
J. P. Morgan 4½pc 1987	110
Nabisco 5½pc 1988	94½
Owens Illinois 4½pc 1987	99
J. C. Penney 4½pc 1987	79
Pioneer 6½pc 1989	240
Raymond 8½pc 1993	103½
Revlon 4½pc 1987	105
Reynolds Metals 5pc 1988	84
Sperry Rand 4½pc 1987	97½
Squibb 4½pc 1987	72
Texaco 4½pc 1988	78
Toshiba 6½pc 1990	109
Union Carbide 4½pc 1982	115
Warner Lambert 4½pc 1987	90½
Warner Lambert 4½pc 1988	80½
Xerox 5pc 1988	79
Source: Kidder, Peabody Securities	

MINING NEWS

Impala on the upward path

BY KENNETH MARSTON, MINING EDITOR

THE South African Union Corporation group's Impala Platinum has survived a difficult 12 months and clearly anticipates better things in the current financial year to next June. The latter view is underlined by a final quarterly dividend for 1975-76 of 22 cents (14p) which makes a total for the past year to June 30 of 70 cents compared with only 45 cents for 1974-75.

A change in accounting procedure regarding the cost of platinum in the production pipeline has resulted in Impala's latest net income rising by R5m. to R30.9m. (£19.9m.). Had this

Mr. Ian Greig, chairman of Impala.

system applied in the previous year, the comparative total would have been R35m., a figure which included a special payment of R7.3m. Capital spending for the past year has amounted to a below-forecast R6.4m. and is expected to rise to about R12m. in the current 12 months.

Impala's planned production for the year to last June was 600,000 ozs of platinum and the figure for the current year is raised modestly to 700,000 ozs. It is stated, however, that the latter rate will be reviewed from time to time in the light of changing market conditions and the availability of labour.

Before the chill winds struck the world economy, Impala had been aiming at a production expansion to an annual rate of some 950,000 ozs by the end of 1974. Since then costs have moved ahead substantially and, presumably, Impala is waiting for higher platinum prices before boosting its production. Meanwhile, it is pointed out that the market recovery seen in May and June has not been sustained.

At present the mine is still selling on the basis of its July price increase of $15 to $170 per ounce which compares with a more recent increase to $180 being charged by the other leading producers, South Africa's Rustenburg and Canada's Inco. The free market price was $157 yesterday. A 21.6 per cent. stake in Impala is held by Bishopsgate Platinum, the shares of which were 86p yesterday.

RECOVERY SIGNS AT NORTHGATE

Canada's Northgate Exploration, whose base metal operations are in Ireland, reports a second quarter's net income of $234,000 (£133,000) or 4 cents (2.27p) per share compared with $37,000, or 1 cent a share, for the same period of 1975. This brings Northgate's half-year earnings to $320,000 (£182,000) against $337,000 for the first six months of last year.

Net revenue from the sales of metals and concentrates in the past half-year declined to $6.1m. (£3.47m.) from $10.37m. previously, owing to the closure, as previously announced, of the company's Gortdrum copper mine in the latter half of 1975. The Tynagh lead-zinc mine is currently the sole source of revenue. Northgate were 305p yesterday.

MINING BRIEFS

KENT (FMS)—July tin output 43 tonnes (June 48 tonnes).

KINTA KELLAS TIN DREDGING—July tin output 40 tonnes (June 66½ tonnes).

Tremletts turns in profits of £1.28m.

FOLLOWING the disposal of its overseas holdings and its capital reconstruction in 1975, Tremletts Holdings achieved a pre-tax profit of £1.28m. for the year to March 31, 1976, compared with a restated loss of £563,000 in the previous 12 months.

Current trading throughout the group's 20 engineering, timber and furniture companies is now reasonably buoyant and profitable although the furniture manufacturing subsidiaries are finding trading conditions more difficult, the chairman, Professor Roland Smith says.

Very considerable progress has been made during the past 12 months in resolving some of the major problems which have been implicit in the group's position.

Provided that the current level of borrowings continues to improve and the trading pattern remains profitable the directors intend to agree with their financial advisers to a timetable for the relisting of the company's shares and loan stock which were suspended in March, 1973.

Turnover of the reconstructed group was £25.02m. in the year compared with £38.3m. for the previous 12 months. After-tax charges of £689,000 against a *credit of £292,000*, net profit came out at £594,000 against a previous loss of £271,000.

Stated earnings per 25p share are 17.87p basic or 16.37p fully diluted. There is again no dividend, the last being an interim of 0.7p a share net paid in February 1974.

Several major disposals have taken place since the year-end particularly the sale of Tower Europe BV and the withdrawal from Malaysia, the chairman says.

These disposals involved payments by the group of about £2.6m. to procure the release of potential liabilities amounting to about £4.4m. The payments were financed partly through the use of cash deposits pledged as *security for guarantees released* under the disposal agreements and partly through secured advances from the group's bankers.

The negotiations for the disposal took longer than was originally anticipated. As a result the costs of disposal, particularly those relating to the purchase of foreign currency, were greater than provided at March 31, 1975 and the directors therefore have increased the special provision of £2.38m. by £250,000 which has been charged as an extraordinary item.

An amount of £613,000 which has been charged against the provision *was in respect of settlement* of the balance of the purchase consideration for Tower's subsidiaries in Europe, payments in respect of certain overseas bank guarantees and reorganisation expenses.

The £1.01m. deposits with banks are held by banks as security for their possible liabilities under guarantees given in respect of overseas subsidiaries. In the opinion of the directors, the excess of £3.39m. provision at the year end over payments of £2.6m. made to date is adequate to cover any remaining liabilities.

Had the disposal of Tower's main overseas subsidiaries been completed by March 31, 1976, the provision of £2.38m. would have been reduced to £787,00, the balance of £1.59m. being shown as an addition to bank overdrafts.

The reconstructed Board established several practical objectives —primarily to extricate Tremletts from its overseas businesses at the lowest possible cost, to reduce the gearing in the balance sheet to more reasonable proportions and to ensure a continuing improvement in the profitability of the U.K. companies, Professor Smith now says.

To a greater or lesser degree these objectives have been achieved to date.

See Lex

CAMREX

Camrex (Holdings) has reorganised its contracting companies which consisted of Brookers, Brook-Blast, Calls-Bitmo, Scotland, Cotex, Thomas Cotton and X.P.D. into one Camrex Corrosion Engineers.

Advance by Thames Plywood

For the 53 weeks to April 30, 1976, Thames Plywood Manufacturers announces turnover of £3.04m. and pre-tax profits of £172,071. This compares with £2.78m. and £151,707 for the previous 52 weeks.

After the first six months the profit advance was from £49,000 to £52,000 and the directors said that they were confident that earnings would adequately cover payment of a dividend equal to that last year. In the event earnings per 25p share expanded from 5.98p to 6.34p and the dividend is stepped up from 2.3p to 2.53p with a final of 1.83p net.

	1975-76 53 wks. £	1974-75 52 wks. £
Turnover	3,043,578	2,778,316
Profit before tax	172,071	151,707
Taxation	95,942	79,916
Net profit	76,129	71,791
Extraordinary debit	—	4,520
Available	76,129	67,271

KU cuts loss to £6m. and plans for growth

BY MARGARET REID

MERCHANT BANKING group, Keyser Ullmann Holdings which has been following a defensive policy and which recently freed itself from dependence on borrowings from the big banks' "lifeboat," incurred a net loss of £5.9m. in the year to March 31, 1976, compared with a net loss of £61.4m. in the previous year. As a result, the total of the group's capital and reserves fell during the year by some £6m. to £36.6m.

The group, now headed by Mr. Derek Wilde, a vice-chairman of Barclays Bank, has been concentrating on recovering debts as conditions have allowed and ended the latest year with loans of £152.7m., 80 per cent. against property, compared with £175.9m. a year earlier. Of £85m. of doubtful debts in the latest total, it is hoped to recover £30m. this year, £30m. in 1978-79 and the rest thereafter.

The latest results were struck after further provisions of £7.3m. against bad and doubtful debts (against provisions of £64.0m. in 1974-75) the additional sums being set aside largely because of the worsening in the property market during the year, though conditions there are now believed by the company to have passed their worst.

	1975-76 £000	1974-75 £000
Trading profits	1,944	4,784
Banking group	3,775	58
Dennington loss	1,138	111
Westforth loss	489	*153
Holding loss	224	*4,408
Div from Cannon Assce.	—	228
Exchange rate adjustments	1,256	500
Debt provisions	6,090	62,474
Loss before tax	5,306	59,210
Tax credit	328	11,878
Minorities	20	233
Westforth provisions	916	—
Leaving loss	5,866	60,855
Pref. divs.	4	4
Ordinary	51	566
Retained loss	5,921	61,425

* Profit. † Charge.

Following the repayment of the final £14m. on loan from the "lifeboat," and the granting of a considerably larger stand-by *facility by the large banks*, the group considers it has completed the first stage of its recovery.

It is believed that the margin of interest over inter-bank rate payable on the stand-by is less than the 2 per cent. or so over it that was payable on the "lifeboat" money.

"We have had a year in which we have stabilised our situation. We have tried to get a better idea of what our assets and securities are worth and to make a start in realising security and that is what we have done," Mr. Wilde said yesterday.

"We wanted first to leave the lifeboat and now we aim to grow, to make profits from banking and to start lending again." Things have taken a good turn for the better in the past few months and we now have about £12m. out in the market to set against £14m. drawn under the stand-by facility." Total deposits from the market have now risen to £135m.

As to the High Court writ, which has not been served, in which Mr. Barnett Shine, a director of the group, has sought damages in connection with a document issued during KUH's take-over in 1972 of Central and District Properties of which he was a managing director, Mr. Wilde repeated yesterday: "Mr. Shine has told us he will not pursue the writ and to the best of our knowledge there is no change in that."

The Board is expected to-day to consider its attitude towards the position of Mr. Shine as a director, a role in which he comes up for re-election this year.

The report shows that Mr. Leslie Paisner, the solicitor who retired last month as the senior partner of Paisner and Co.—and who was mentioned in the recent legal action between financier Sir James Goldsmith and the magazine Private Eye—is not standing for re-election as a director.

The accounts state that KUH's tax losses now amount to some £60m. and will be available to offset tax on future banking profits.

A note headed "Litigation" records that proceedings have been issued against certain group companies and others arising out of the acquisition in December 1972 of International Life Insurance, now called Cannon Assurance (a group subsidiary). The plaintiffs principally claim that the share of ILI (which was once part of Mr. Bernie Cornfeld's empire) are held on constructive trusts for the plaintiffs and that sums are due under an investment management agreement entered into when the ILI shares were acquired. The proceedings are being vigorously defended, it is stated.

"KU has retained in an escrow account approximately £1.7m. (on which interest from December, 1972 is accruing) which represents *a major part of the consideration* for the acquisition," the note adds.

The report records that loans to directors at the end of March 1976 totalled £245,000. At the end of the previous year— after which two directors, Mr. Roland Franklin and Mr. Ian Stoutzker, left—the figure of loans to directors had been £1.56m.

The results for 1975-76 include trading profit from the banking side of £3.8m., implying that the contribution from this source was less in the second half than in the first, when it was £2.4m. The setback is due to interest no longer being taken into account on a *particular loan in the property* area.

There was a trading loss of £1.8m., against a £4.7m. profit, on other activities, £1.4m. *coming* from the final trading loss and closing provisions in respect of Endura, a concern now sold. A further £1.25m. is due to the fall in the pound and £1.1m. is in respect of losses on housebuilding companies in the Dennington Investments Group, now to be sold.

No dividend has been paid by Cannon Assurance.

	1975-76 £000	1974-75 £000
Share capital	12,937	12,967
Premium account	7,039	7,039
Reserves	16,693	22,614
Total capital and res.	36,659	42,610
Minorities	750	1,731
Loan capital	6,322	6,096
Deferred tax	71	769
Deposits	180,837	219,293
Acceptances	7,361	8,632
Cash, etc.	25,676	41,924
Term deposits	11,632	15,466
Bills discounted	13,165	12,326
Local bonds	4,018	3,502
Certificates of deposit	3,663	3,862
Investments	2,776	4,878
Advances	182,733	173,948
Subsidiary not consold.	1,891	1,885
Inv. in assoc. banks	3,162	2,765
Acceptances	7,361	8,632
Fixed assets	3,487	3,331
Total	232,230	278,473

Figures do not consolidate the life insurance subsidiary.

See Lex

Upsurge at Allied Insulator

BOARD MEETI

BERISFORD —T. MARTIN

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on August 16, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the area other than Scheduled Territ Scheduled Territory; (o) official rate; rate; (T) tourist rate; (n.c.) non-co rate; (n.a.) not available; (A) approxi no direct quotation available; (sg) sel (bg) buying rate; (nom.) nominal exchange certificate rate; (P) based dollar parities and going sterling-dol (Bk) bankers' rate; (Bas) basic ra commercial rate; (cn) convertible r financial rate.

Sharp fluctuations have been se in the foreign exchange market. Ran table below are not in all cases closing the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	286(sg)
Afghanistan	Afghani	85(A)
Albania	Lek	(O 10.10(A) / (n/a)
Algeria	Dinar	7.55
Andorra	French Franc	8.92
	Spanish peseta	121.45
Angola	Angola Escudo	55.55
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(O)249.28
Australia (S)	Australian $	1.4511
Austria	Schilling	32.05
Azores	Portug. Escudo	55.55
Bahamas (S)	Ba. Dollar	1.7815
Bangladesh (S)	Taka	28.50(sg)
Bahrein (S)	Dinar	0.703
Balearic Is.	Spa. Peseta	121.45
Barbados (S)	Barbados $	3.5629
Belgium	B. Franc	(cm)69.56 / (fn)72.20
Belize	B$	3.5629
Benin	C.F.A. Franc	446
Bermuda (S)	Bda. $	1.7815
Bhutan	Indian Rupee	15.94
Bolivia	Bolivian Peso	35.65
Botswana (S)	S. A. Rand	1.5457
Brazil	Cruzeiro	19.42
Br Solmn Is(S)	Australian $	1.4511
Br Virgin Is(S)	U.S. $	1.7815
Brunei (S)	Brunei $	4.5305
Bulgaria	Lev	1.7404
Burma	Kyat	11.80
Burundi	Burundi Franc	161.55
Cameroun Rp	C.F.A. Franc	446
Canada	Canadian $	1.7580
Canary Is.	Spanish Peseta	121.45
Cape Verde I.	Cape V Escudo	55.55
Cayman Is.(S)	Cay. I. $	1.48464
Cent. Af. Rp.	C.F.A. Franc	446
Chad	C.F.A. Franc	446
Chile	C. Peso	(Bk) 25.50
China	Renminbi Yuan	3.4754
Colombia	C. Peso	(P) 62.73
Comoro Is.	C.F.A. Franc	446
Congo (B'lle)	C.F.A. Franc	446
Costa Rica	Colon	15.32047
Cuba	Cuban Peso	1.49085
Cyprus (S)	Cyprus £	0.73692
Czechoslav'ka	Koruna	(com) 10.25 / (n/c) 20.40 / (T) 17.85
Denmark	Danish Krone	10.88¼
Dominica (S)	E Caribbean $	4.80
Domin. Rep.	Dominican Peso	1.7815
Ecuador	Sucre	(O) 44.25 / (F) 48.84
Egypt	Egyptian £	0.70 / (T) 1.22
Ethiopia	Ethiopian $	(P) 3.69182
Eq'l Guinea	Peseta	121.45
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	10.88¼
Fiji Is. (S)	Fiji $	1.59136
Finland	Markka	6.93
France	French Franc	8.92
Fr. C'tyin Af◆	C.F.A. Franc	446
Fr. Guiana	Local Franc	8.92
Fr. Pac. Is.	C.F.P. Franc	162.182
Gabon	C.F.A. Franc	446
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	4.55¾
Germany West	Deutschemark	4.50¼
Ghana (S)	Cedi	2.05
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.4517
Greece	Drachma	65.5065
Greenland	Danish Kroner	10.88¼
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	8.82
Guam	U.S. $	1.7815
Guatemala	Quetzal	1.7818
Guinea Rep.	Sily	39.56582
Guinea Bissau	—	55.6525
Guyana (S)	Guyanese $	4.5427
Haiti	Gourde	8.90725
Honduras Rep	Lempira	3.5629
Hong Kong (S)	H.K. $	8.7650
Hungary	Forint	(com) 77.15 / (nc)(T)38.57
Iceland (S)	L. Krona	331.70
India (S)	Ind. Rupee	15.94
Indonesia	Rupiah	739.30175
Iran	Rial	(A) 126
Iraq	Iraq Dinar	0.5258
Irish Rep K.	Irish £	1.00
Israel	Israel £	14.4517
Italy	Lira	1,493
Ivory Coast	C.F.A. Franc	446
Jamaica (S)	Jamaica Dollar	1.6196
Japan	Yen	517
Jordan (S)	Jdn. Dinar	0.575(sg)
Kampuchea	Riel	n.a.
Kenya (S)	Ken. Shilling	15.03
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	865.00
Kuwait (S)	Kuwait Dinar	0.521
Laos	Kip	142.516
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.5457
Liberia	Liberian $	1.7815
Libya	Libyan Dinar	(P) 0.52755
Liecht'nstn	Swiss Franc	4.45
Luxembourg	Lux Franc	69.55
Macao	Pataca	12.7825
Madeira	Portug'se Escudo	55.55
Malagasy Rp.	MG Franc	446
Malawi (S)	Kwacha	1.6542
Malaysia (S)	Ringitt	4.4275
Maldive Is.(S)	Mal Rupee	15.217
Mali Rp.	Mali Franc	892
Malta (S)	Maltese £	0.766754
Martinique	Local Franc	8.92
Mauritania	Ouguiya	88.8221
Mauritius (S)	M Rupee	12.015
Mexico	Mexican Peso	22.22
Miquelon	C.F.A. Franc	446
Monaco	French Franc	8.92
Mongolia	Tugrik	(O)n.a.(g)
Montserrat	E Caribbean	4.80
Morocco	Dirham	7.65(sg)
Mozambique	Moz. Escudo	55.55
Nauru Is.	Aust. Dollar	1.4511
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	4.78¾
Neth. Ant'les	Antillian Guild.	3.1888
New Hebrides	Franc	144.16
	Austl. Dollar	1.4511
N. Zealand (S)	N.Z. Dollar	1.7661
Nicaragua	Cordoba	12.50
Niger Rp	C.F.A. Franc	446
Nigeria (S)	Naira	1.15(sg)
Norway	Nrwg. Krone	9.82
Oman Sultanate of (S)	Rial Omani	0.614
Pakistan	Pkst. Rupee	17.50(sg)
Panama	Balboa	1.7815
Papua N.G. (S)	Kina	1.3622

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.1220 Rh. dollars to £1.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs. 5 to one unit of the new currency.

(x) General rates oil and iron exports 7.4309.

ENTERTAINMENT GUIDE

OPERA & BALLET

IATE THEATRE. 387 9629 Aug. 28. Tues. to Fri. 8.0. Sat. 6 and 8.30 ALEXANDER ROY NDON BALLET THEATRE—Six London Premieres.

IM. (01-836 3161) NGLISH NATIONAL OPERA & Sat. 5.30 The Mastersingers Nuremberg. Tomor. & Fri. 7.30 The Flute. Thur. 7.30 Tosca.

FESTIVAL HALL. 928 3191. of. 10. Eves. 7.30. Mat Sats. 3. LONDON FESTIVAL BALLET it. Le Spectre de la Rose (Tonight Bart) Giselle (Tonight Fulton)

S WELLS THEATRE. Rosebery C.1. 837 1672. ANCE THEATRE OF HARLEM 30. Sat. Mats. 2.30. Tonight: for Strings. The Beloved. Men-'s Concerto. Agon. Fete Noir. & Thurs.: Holberg Suite. Doo Bugaku. Romeo & Juliet. Forces

THEATRES

r THEATRE. 01-836 7611. 30. Sats. 5.30 & 8.30. Thur. 3.0. IRENE LONDON'S BEST NIGHT OUT TACLE. CAPTIVATING TUNES RACY COMEDY." People. IRENE C. SUMPTUOUS—THE MUSICAL HAS EVERYTHING." D. Express. IRENE TAKE LONDON BY STORM." News of the World. Y BOOKING TO MARCH 1977

836 3878. Evenings at 8.00. Thurs. 3. Sats. 5 and 8.15 sharp. National Theatre Production COLIN BLAKELY in EQUUS by PETER SHAFFER Directed by John DEXTER NING and COMPELLING." Stnd.

H. 836 6404. Inf. 836 5332. AL SHAKESPEARE COMPANY Bernard Shaw's THE DEVIL'S DISCIPLE triumphant revival is played by a awless cast." Daily Express. s 7.30. Mats. Wed., Sat. 2.00. pertoire with Anton Chekhov's NOV (Previews from Sept. 2. First Night Sept. 7)

ADOR'S. 836 1711. Evgs. 8.0. Tuesday 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG WONDERFUL HIT MUSICAL tful. Don't miss it." Dly. Exp. ed ticket top price seat. 3-course inc. VAT and Service £6.00.

01-437 2663. Evenings 8.00. hur. 3.00. Sat. 5.30 and 8.30. IE COLLINS. JOHN ALDERTON CONFUSIONS An entertainment by ALAN AYCKBOURN

HEATRE. Mon. to Thurs. at 8.30. and Saturday 7.00 and 9.15. TOM STOPPARD'S DIRTY LINEN ous . . . see it." Sunday Times.

OGE. 01-836 6056. Evgs. 8.0. Wed. 3.0. Sat 4.30 and 8.0. ONLY FIVE MORE WEEKS SUZMAN. NIGEL DAVENPORT. IE RITCHIE. ANGELA DOWN. ETER EYRE. SUSAN ENGEL. N SHRAPNEL. PETER BAYLISS. ESMOND KNIGHT in ATHAN MILLER'S production of THREE SISTERS orious evening." Irving Wardle. "Simply, clearly, absolutely l — a matchless evening from a cast." Jack Tinker. Daily Mail.

STER. 0243 86333. Tonight and 20. 21 at 7.0 Aug. 19 at 2.0 EUR PERRICHON'S TRAVELS. 18, 19 at 7.0, Aug. 21 at 2.0 IRCLE.

Y. 930 2578. Evenings 8. 5.30 and 8.15. Mat. Thur. 3. THRILLER THAT REALLY S. I ENJOYED IT WITHOUT FICATIONS." Hobson, S. Times. The excellent cast." Ev. News. Y FOSTER ANTHONY SATE GARD NEIL ERNEST CLARK s you baffled and amused." D. Exp. TTING AWAY WITH MURDER by J. Lee Thompson.

ION. 930 3216. Air conditioned. Mat. Thur. 3. Sat. 5.30, 8.30. ALEC McCOWEN MICHAEL BRYANT Y PARFITT. ANNETTE CROSBIE in THE FAMILY DANCE by Felicity Browne funny . . . brilliant . . . an even-delight." H. Hobson. Sun. Times.

LANE. 01-836 8108. Evenings HARP. Mat. Wed. and Sat. 3.0. A CHORUS LINE

8. 836 8243. Evenings 8.0. Fri., Sat. 6.15 and 9. "OH! CALCUTTA!" NOW IN ITS 7TH YEAR reathtakingly Beautiful." S. Tel. o Nudity is Stunning." D. Tel.

OF YORK'S. 01-836 5122. Limited Season. Evening 8.0. e Wed. 2.30. Sat. 5.15, 8.30 ALAN BATES in THE SEAGULL made my summer." Jack Tinker, Daily Mail. Intelligent and touching revival." Eric Shorter, Daily Telegraph. ned ticket top price seat/3-course meal inc. VAT and Service £5.

THEATRES

FORTUNE. 836 2238. Mon.-Fri. at 8. Sat. 5 and 8. Thur. 3. Avril ANGERS. Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE SECOND GREAT YEAR

GARRICK THEATRE. 01-836 4601. Evenings 8. Fri., Sat. 5.30 and 8.30. RICHARD BECKINSALE is "side-splittingly funny." (Daily Mail) in FUNNY PECULIAR "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times "More good laughs than any other play in London." Observer.

GLOBE. 01-437 1592. Evgs. 8.15. Mat. Wed. 3.0. Sat. 6.0 and 8.40. PETER BARKWORTH. PETER JEFFREY and "PENELOPE KEITH, the funniest woman in the West End." Guardian. DONKEYS' YEARS "MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. S.E.10. 858 7755. Evenings 8.0. Last week. STEVEN BERKOFF'S AGAMEMNON

HAMPSTEAD. 722 9301. Evgs. 7.30 Sat. Mat. 4.30. CLOUDS. A New Play by Michael Frayn. ALSO from Tomor. 10.30 pm A LATE NIGHT with DONALD SWANN, JEREMY TAYLOR, SYDNEY CARTER.

HER MAJESTY'S. 930 6606. Evgs at 8. Fridays and Saturdays 5.45 and 8.30. IPI TOMBI "Pulsating musical." E.N. Seats £3 to 50p. Combined Ticket Top Price Seat 3-course meal inc. VAT and Service £6.

HAYMARKET. 930 9832. Evenings 8.00. Mat. Wed. 2.30. Sat. 5.00 and 8.15. Edward Woodward, Geraldine McEwan, Stephanie Beacham, Geoffrey Palmer in Frederick Lonsdale's ON APPROVAL "You should rush to see it." D. Tel. "It got my approval." Evening News. "An evening of comic delight." Harold Hobson. Sunday Times.

JEANNETTA COCHRANE. 242 7040. Southampton Row, W.C.1. Evenings 7.30. Until Aug. 28. NATIONAL YOUTH THEATRE HERE COMES THE SUN by Barrie Keeffe.

KING'S ROAD THEATRE. 352 7488. Mon. to Thur. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR "Impossible to overpraise." Punch. NOW IN ITS 4th ROCKING YEAR.

LYRIC. 01-437 3686. Evenings 8.00. Mat. Wed. 3.00. Sat. 5.0 and 8.30. SHEILA HANCOCK. JOHN MOFFATT in THE BED BEFORE YESTERDAY A Comedy by BEN TRAVERS "STILL THE FUNNIEST COMEDY IN LONDON." Daily Mail.

MAYFAIR. 01-629 3036. Evenings 8.15. Sat. 6.0 and 9.0. LIBBY MORRIS in her musical revue JUST LIBBY "An effective singer . . . best as a comedienne. Chaplinesque." N.Y. Times. Fully air-conditioned.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Mat. Sat. 5.0. "Michael Rothwell's performance is illuminating and adventurous." Times, in CROCODILES IN CREAM "A RIVETING BIOGRAPHY OF LEWIS CARROLL." Daily Mail. Seats from 50p. Restaurants open 6.30.

NEW LONDON. Drury Lane 01-405 0072 FULLY AIR CONDITIONED Evgs 8.0. Fri., Sat. 6.0, 8.45. BRIAN PROTHEROE LEAVE HIM TO HEAVEN "A MARVELLOUS MUSICAL." S. Times. "Fantastic Wonderful. Superb." D. Mail.

OLD VIC. 928 7616. Evenings 7.30. Sat. Mats. 2.30. THE WHITE DEVIL "A daring experiment . . . Glenda Jackson is superb." E.N. "A brilliant cast." S.Time. "It dazzles the eye." D.Tel.

OPEN AIR. Regent's Park. 486 2431. Evgs. 7.45. Mat. Wed. Thur. Sat. 2.30. LOVE'S LABOUR'S LOST Mon.-Tues., Fri. 1.15. Lunchtime Play THE MANLY BIT (Sunday at 8 p.m. Gala Performance starring KAMAHL).

PALACE. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. Evgs. 8.0. Friday 8.45. Wed., Sat. 6.15, 8.45. JOHNNY RAY. BILLY DANIELS FRANCES FAY. THE INK SPOTS ALL ON ONE GREAT BILL BY PUBLIC DEMAND NOW EXTENDED TO AUGUST 28. "Truly a fabulous show." D. Mirror. "Oh what a night it was. It really was." James Green. Evening News.

PHOENIX THEATRE. SEASON 1976. Limited Season. Must end Aug. 28. Ev. 8.0. Mat. Th. 3.0. Sat. 5.0. 8.30. DOUGLAS FAIRBANKS JR. DINAH SHERIDAN DAVID LANGTON and WILFRID HYDE WHITE in THE PLEASURE OF HIS COMPANY BOOK NOW! Tel. 01-836 2611.

PICCADILLY. 437 4506. Mon. to Fri. 8.0. Sat. 5.30 and 8.30 Jerome Kern's hit musical VERY GOOD EDDIE "LOVELY to look at, DELIGHTFUL to hear and HEAVEN to watch." D. Exp. "Absolutely enchanting . . . I really loved it." N.Y. Times. AIR-CONDITIONED.

THEATRES

PRINCE OF WALES. 01-930 8681. Mon., Thur. 8.0., Fri., Sat. 5.30, 8.30. MARDI GRAS "Brilliant. Most exciting musical." S. Tms. LAST 5 WEEKS

QUEEN'S. 01-734 1166. Evenings 8.00. Mats. Thurs. 3.0. Sats. 5.30 and 8.30. Winner of all awards for BEST PLAY OF THE YEAR Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED Directed by HAROLD PINTER

RAYMOND REVUEBAR THEATRE. 734 1593. At 7, 9, 11 p.m. (Open Sun.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76 FULLY AIR CONDITIONED—You may drink and smoke in the Auditorium.

REGENT. 323 2707. Evenings 8.30. Friday and Saturday. 7.0 and 9.15. 3rd ECSTATIC YEAR! NEW CAST! NEW EXCITEMENT! LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUNDHOUSE. 267 2564. Last 2 weeks. Mon.-Thur. at 8. Fri. & Sat. at 9. Late Night Wed. at 11.15 p.m. LA GRANDE EUGENE "Nobody should miss it." Gdn. COMBINED SUPPER SHOW £5 Only 13 More Performances.

ROYAL COURT. 730 1745. (Air-Cond. Evenings at 9. Sats. 6.30 and 9. T. ZEE A New Musical by Richard O'Brien. "One hell of a show." Dly. Mirror. "ELECTRIFYING." D. Mail.

SAVOY. 836 8888. Evenings at 8.00. Sat. 5 and 8. Matinees Wed. 2.30. ROBERT MORLEY, GEORGE COLE in Ben Travers' BANANA RIDGE "HILARIOUS SUCCESS." D. Tel.

SHAW. 01-388 1394. Opens tomor. 7.0. Subs. Evgs. 7.30 NATIONAL YOUTH THEATRE THE BREAD AND BUTTER TRADE by Peter Terson.

ST. GEORGE'S—SHAKESPEARE "London has acquired a beautiful new playhouse." Daily Telegraph. (609 1198). 49, Tufnell Park Road, Islington, N.7. Evgs. 7.30. Mat. Wed. Sat. 2.30. Tonight, tomor. and from Aug. 26: PETER McENERY, SARAH BADEL in ROMEO AND JULIET "EXCEPTIONALLY MOVING." S. Tel. In repertoire with Thur., Fri., Sat. and from Aug. 30: ERIC PORTER, LYNN FARLEIGH in TWELFTH NIGHT "A NIGHT TO REMEMBER." D. Exp. From August 23: ALAN BADEL in RICHARD III

ST. MARTIN'S. 836 1443. Evenings 8.0. Mats. Tues. at 2.45. Sats. 5.0 and 8.0. AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run. 24th year.

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley Arthur Howard, Barry McGinn NO SEX, PLEASE —WE'RE BRITISH Directed by Alan Davis. SIX HYSTERICAL YEARS

TALK OF THE TOWN. (01-734 5051.) FULLY AIR-CONDITIONED From 8.15. Dining and Dancing. At 9.30 Revue: SWEET TEMPTATION and at 11 p.m. ROGER WHITTAKER

VAUDEVILLE. 01-836 9988. Evgs. 8.0. Mats. Tues. 2.45. Sat. 5.0 and 8.15. GERALD HARPER HANNAH GORDON UNA STUBBS, PRUNELLA GEE in BAGGAGE "WITTY AND VERY FUNNY." E. News. THEATRE AIR CONDITIONED

VICTORIA PALACE. 834 1317 Evenings 8.0. Wed., Sat. 6.0 and 8.45 TERRY SCOTT JUNE WHITFIELD A BEDFULL OF FOREIGNERS "GENUINELY HILARIOUS." Gdn. SEASON NOW EXTENDED Dinner and best stalls £4 inc. Mon.-Thur.

WHITEHALL. 930 5692-7765. Reduced price Previews Aug. 24 and 25 at 8. Opens Aug. 26 at 7. BRIAN RIX FRINGE BENEFITS

WINDMILL THEATRE. 437 6312. Twice Nightly at 8.00 and 10.00. PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA An entire French Production. You may drink and smoke in the Auditorium. "Takes to unprecedented limits what is permissible on our stage." Evening News.

WYNDHAM'S. 836 3028. Evenings 8. Saturday's 5.15 and 8.30. Millicent Martin, Julia McKenzie, David Kernan, Ned Sherrin in SIDE BY SIDE BY SONDHEIM "If you are planning to spend one evening in the musical theatre this year I urgently suggest you make it Side By Side By Sodheim. If you are planning to spend two GO TWICE. . . ." Punch.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: THE OUTLAW JOSEY WALES (AA). Wk. & Sun.: 2.00. 5.15. 8.15. 2: ALL THE PRESIDENT'S MEN (AA). Wk. & Sun.: 2.00. 5.15. 8.20.

CASINO. Old Compton St. 437 6877. THE MESSAGE (A). Sep. Perfs. Sun. to Fri. 3.0 and 7.15. Sat. 12.25 4.10 and 7.55 (Circle Bookable for Evening Perfs.)

CURZON. Curzon St., W.1. 499 3737. Fully air condit. Peter O'Toole, Omar Sharif in LAWRENCE OF ARABIA (A). Sep. perfs. 2.30. 7.0. (Mats. Mon. to Fri. all seats £1.) Last 5 days.

EMPIRE. Leic. Sq. 437 1234. All seats may be booked at the Box Office or by post. LIPSTICK (X). Sep. perfs. Progs. daily 1.30 (not bookable). 3.45. 6.00. 8.45. Fully refrigerated. air-conditioning.

LEICESTER SQUARE THEATRE (930 5252) BUGSY MALONE (U) There's Never Ever Been A Movie Like It. Sep. progs. Dly. 2.30. 5.30. 8.30. All seats bkble. at theatre or by post for eve prog. Mon-Fri and all progs Sat and Sun. Fully air-cond.

ODEON HAYMARKET (930 2738/2771) CONDUCT UNBECOMING (A) Sep progs Wk 2.0. 5.15. 8.30. All seats may be booked.

ODEON. Leicester Square. (930 6111) THE MISSOURI BREAKS (AA). Sep. progs. 2.40. 5.25. 8.25. Seats bkble by post or at Box Office for Mon.-Fri. prog. and Sats. & Suns. all progs. Last 2 days.

ODEON MARBLE ARCH (723 2011/2) AT THE EARTH'S CORE (A) Sep. progs. Wk. 12.45. 3.20. 6.00. 9.05. All seats may be booked.

PLAZA 1 & 2 Regent St. SW1. 437 1234 Sep. perfs. All Seats bookable for eve. perf. Box Office 11 a.m. to 7 p.m. (not Suns.). No phone bookings. 1. THE MESSAGE (A). Progs. Daily 12.30. 4.00. 7.30. Late Show Sat. 11.15. 2. ROMEO AND JULIET (A). Progs daily 2.00. 4.55. 7.55.

PRINCE CHARLES. Leic. Sq. 437 8181. 2nd Year. The One and Only Original EMMANUELLE (X). Sep. Perfs. Dly (inc. Sun.) 2.45. 6.15. 9.00. Lte Show Fri. and Sat 11.45 Seats Bookable.

SCENE 1. 2. 3. 4. Leic. Sq. (Wardour St.) 439 4470. SCENE 1. Cont. Perfs. Dly. 12.30. Lte. Show Fri. & Sat. 11.55. Redford Hoffman. ALL THE PRESIDENT'S MEN (AA). Progs. 12.30. 2.55. 5.55. 8.55. Late Show Fri. and Sat. 11.55. SCENE 2. Cont. Perfs. Dly. 1.25. Late Show Fri. & Sat. 11.30. LAST SNOWS OF SPRING (A). 2.15. 4.45. 7.15. 9.50 MAX WALL—FUNNY MAN (U). 1.25. 3.55. 6.25. 8.55. Lte show Fri. and Sat. 11.30. SCENE 3. Cont. Perfs. Dly. 12.30. Lte. Show Fri. and Sat. 11.30 DEATH RACE 2000 (X). 12.30. 3.40. 6.50. 10.00 JULIA (X) 2.00. 5.10. 8.20. Lte. Show Fri. and Sat. 11.30. SCENE 4. Cont. Perfs. Dly. 12.55. Late Show Fri. & Sat. 11.50 JAWS (A). Progs. 12.55. 3.35. 6.20. 9.05. Lte. Show Fri. & Sat. 11.50.

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WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Awaiting Republican convention: up 2

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 16.

FURTHER SMALL gains were recorded on Wall Street to-day, when operators were inclined to wait for the Republican Convention to choose a Presidential candidate.

The Dow Jones Industrial Average put on another 2.58 to 992.77 and the NYSE All Common Index added a further 10 cents at $55.79, while advances led declines by 751-to-656. Trading volume expanded 2.28m. shares to 16.21m.

"Nothing is going to turn the market on until the Republicans choose a candidate," declared one analyst.

The market was held down in part by the report late Friday that Industrial Output in July showed the slimmest gain in nine months. They said the report added to recent concern about indications that the economic recovery is in a lull.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Westinghouse Elec.	279,500	17⅝	+⅛
Amer. Tel. Tel.	266,200	60½	+¼
Southern Co.	237,100	15⅛	+⅛
Geo. Pac. New	201,000	31	−⅛
Transamerica	183,000	13	—
Gen. Tel. El.	183,200	29⅞	+⅜
Dow Chemical	171,900	44⅛	—
Xerox	159,800	65⅛	+1⅛
Amer. Home Prod.	153,400	34⅛	−⅛
Minn. Ming. Mfg.	151,100	64	+⅛

Westinghouse rose $⅛ to $17⅝ on 233,000 shares, while Xerox, also active, gained $1 to $65⅛.

Teledyne added $1¼ at $75⅛—it acquired more than a 7 per cent. interest in both National Can. and Curtiss-Wright, unchanged at $16¼, for investment purposes.

Gap Stores fell $2⅝ to $10 on a fourth quarter loss, the first quarterly loss since it was founded in 1969.

Superior Oil slipped $1 to $190 on sharply lower earnings.

Delta Airlines surrendered $1¼ to $40.

Motors were steady to firm on large gains in early August sales of new cars.

U.S. Steel held unchanged at $50—it raised prices of some products last Friday.

Cone Mills lost $1⅛ to $41⅛.

Hospital-Management issues responded to favourable Press comment. Hospital Corp of America moved ahead $⅜ to $24⅞, Hospital Affiliates $⅞ to $12⅞, Humana $⅞ to $13⅞, and National Medical Enterprises $⅞ to $11⅞.

Dymo Industries advanced $⅞ to $9⅞ on sharply higher June quarter net earnings.

Ethyl were down $2⅛ to $36⅛, following its back taxes and interest situation.

National Presto rose $⅛ to $48⅛ on sharply higher second quarter net earnings.

Natomas were up $⅜ to $25⅛ on a quarterly dividend of 35 (30)

THE AMERICAN S.E. Market Value Index was up 0.09 at 103.89, although declines led advances by 277-to-264.

OTHER MARKETS

Canada mixed

Canadian Stock markets were narrowly irregular in listless trading yesterday.

The Industrial Share Index put on 0.27 to 188.50. Base Metals gained 0.51 to 92.22 and Banks moved up 1.67 to 250.26, but Golds eased 0.35 to 235.53, Western Oils shed 0.31 to 228.20, Utilities lost 0.36 to 144.81 and Papers dipped 0.69 to 119.28.

Canadian Hydrocarbons moved up $⅜ to $8⅛—it recently reported higher first half year earnings.

Asbestos gained $⅛ to $33.

PARIS—Closed yesterday—holiday.

BRUSSELS—Closed yesterday—Assumption Day.

GERMANY — Mixed close, although late trading was lively with Motors especially in demand.

BMW rose DM7.50 to 236, Daimler DM4.50 to 347.5, and VW put on DM1.60.

Leading Chemicals were between DM0.90 and DM2.70 firmer.

Banks and Steels were generally well maintained, but Electricals and Engineerings eased. Siemens lost DM1.70 to 284.3, KHD DM1.3 to 159.7 and GHH DM2.50 to 188.

Kloeckner-Werke gained DM2 to 122 on a planned takeover of majority stake in Flick Unit Maxhuette.

Public Bonds were mixed and generally quiet. Foreign Mark Loans were well maintained.

AMSTERDAM—Sharp decline over a broad front, attributed to rising Money Market interest rates and to the growing uncertainty in the Exchange Market.

Among Internationals, Akzo shed Fls.0.80, Philips Fls.0.20, Royal Dutch Fls.1.40 and Unilever Fls.0.70.

Banks, Insurances and Transportations also lost heavily, although closing prices were slightly above the worst.

Dutch Industrials fell over a broad front. Buehrmann-Tetterode were down Fls.2.20, Hoogovens Fls.1.20, Pakhoed Holdings Fls.2.70 and VMF-Stork Engineering Fls.3.80.

The Bond Market also gave ground and losses averaged Fls.0.60 to Fls.1.00.

SWITZERLAND — Steady in generally quiet activity.

Among little-changed leading Banks, Bank-Gesellschaft moved upwards. Insurances were neglected. Oerlikon-Buehrle rose to a new high. Other firmer spots included Schindler Bearer and Participation Certificates.

In a quiet Foreign sector, Dollar stocks fluctuated narrowly, Dutch Internationals were generally steady, while Germans were irregular.

OSLO—Generally quiet.

VIENNA—Narrowly mixed, with leading Banks extending recent gains, while Industrials were little changed.

COPENHAGEN—Mixed in active dealings.

MILAN—Easier at the day's lows in very quiet trading.

Bonds were quietly mixed.

HONG KONG—Small losses in increased trading.

Hong Kong Bank were down 10 cents to $HK13.40, Hong Kong Land 5 cents to $HK6.65, Hutchison 2½ cents to $HK2.975, Jardine 10 cents to $HK19.50, and Wheelock "A," 2½ cents to $HK2.225.

TOKYO—Narrowly mixed in light trading—140m. shares—as operators awaited political developments connected with the *Lockheed case*.

Oils levelled off after gaining on the increased strength of the yen.

Motors, Electricals, Cameras and other export-oriented issues regained ground lost in early trading.

Machineries were higher, but Shippings were lower.

JOHANNESBURG — Quiet on lack of interest. Gold shares were narrowly mixed, while Financial Minings were very quiet.

Coppers also were mixed; Platinums were a shade better and other Metals were firmer on *renewed interest*. Msauli were 30 cents higher at R445.

Collieries were easier on profit-taking, while Industrials were quiet and featureless.

AUSTRALIA — Late buying helped lift some sections but the closing tone remained hesitant ahead of to-day's Budget.

BHP rose 6 cents to $A8.90, CBC gained 6 cents to $A2.03, ANZ Bank moved up 8 cents to $A3.98 and Bank of NSW improved 4 cents.

Financials, Insurances and Retailers were generally firm.

Among Mines, North Broken Hill put on 6 cents to $A2.31.

Uraniums were erratic. Pancontinental were down 20 cents to $A15.60. Queensland Mines came back 10 cents to $A3.15 and Peko shed 2 cents to $A6, but Kathleen Uranium put on 5 cents to 80 cents.

Oils tended to improve in active trading.

Yen advances

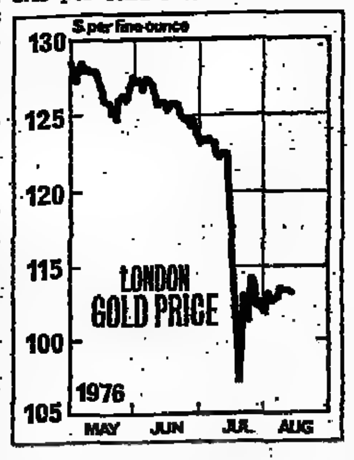
The Japanese yen made useful headway in the foreign exchange market yesterday, closing at Y290¼ from Y291 in terms of the U.S. dollar. Encouraged by the possibility of an appreciation in value through any European currency re-alignment that may occur, the yen finished the day in strong demand. The Bank of Japan was reported to have bought at least 10m. U.S. dollars in an effort to control the rise. The trade weighted appreciation of the yen on a Morgan Guaranty basis improved to 4.94 per cent. from 4.71 per cent. on Friday.

Although conditions remained nervous, there was a certain easing of pressure on the weaker European currencies, while the West German mark also gained a little over the U.S. dollar.

Sterling was generally weaker *in very thin trading conditions*. Its trade weighted average depreciation, as calculated by the Bank of England, widened to 39.1 per cent. against 38.9 per cent. previously. The depreciation at noon and in early dealings stood at 39.0 per cent. Against the dollar, the pound ended unchanged at $1.7810-1.7820. This was achieved with a late rally, having at one stage been as low as $1.7770. There were suggestions in some quarters that the Bank of England may have intervened but only on a minor scale.

The Dutch guilder, prompted *by high interest rates moved to* a firmer position against the dollar, closing at 2.67¼ from 2.69⅞ on Friday. The U.S. dollar finished the day weaker against most currencies. This easier trend mainly reflected the stronger positions taken up by some European currencies yesterday, and the trade weighted average depreciation of the dollar on Morgan Guaranty noon rates, widened to 1.82 *per cent. from* 1.81 per cent.

Gold lost $½ an oz in generally quiet and featureless trading to close at $112¾-113¼. The Krugerrand finished unchanged at $116-118 (£65¼-66¼) for domestic delivery. Its premium over the gold *content narrowed* to 3.43 per cent. from 3.64 per cent. in domestic dealings, and widened slightly from 3.42 per cent. to 3.43 per cent. internationally.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Aug. 16	Aug. 13
Sterling	0.644608	0.642558
U.S. dollar	1.14637	1.14617
Belgian franc	44.8288	44.8095
Deutschemark	2.90559	2.89752
French franc	—	5.73543
Italian lira	961.174	960.204
Japanese yen	332.791	335.369
Dutch guilder	3.07873	3.08836
Swedish krone	5.06810	5.08435
Swiss franc	2.85733	2.84881

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Aug. 16	Aug. 13
Gold Bullion (a fine ounce)		
Close	$112¾-113¼	$113[illegible]
Opening	$113¼-114	$113[illegible]
Morning fix'g	$113.35 (£63.726)	$113.[illegible] (£63.[illegible])
Afternoon fix'g	$113.15 (£63.560)	$113.[illegible] (£63.[illegible])
Gold Coins domestically		
Krugerrand	$116-118 (£65¼-66¼)	$116 (£66[illegible])
New Sov'r'gns	$41¼-43¼ (£23¼-24¼)	$41-[illegible] (£23[illegible])
Old Sov'r'gns	$39½-41½ (£22¼-23¼)	$40-[illegible] (£22[illegible])
Gold Coins (Intern'nally)		
Krugerrand	$116-118 (£65¼-66¼)	$116 (£65[illegible])
New Sov'r'gns	$41-43 (£23-24)	$41[illegible] (£23[illegible])
Old Sov'r'gns	$36-38 (£20¼-21¼)	$36[illegible] (£20[illegible])
$20 Eagles	$188½-191½	$189[illegible]
$10 Eagles	$100-103	$100[illegible]
$5 Eagles	$70-73	$70-[illegible]

FOREIGN EXCHANGES

Aug. 16 1976	Bank Rates %	Day's Spread	Close
New York	5½	1.7770-1.7820	1.7[illegible]
Montreal	9½	1.7525-1.7600	1.7[illegible]
Amsterdam	6½	4.76-4.82	4.[illegible]
Brussels	9	69.40-69.90	69[illegible]
Copenhagen	8½	10.82½-10.87½	10.[illegible]
Frankfurt	3½	4.49½-4.52½	4[illegible]
Lisbon	6½	55.40-56.00	55[illegible]
Madrid	7	121.35-122.00	121[illegible]
Milan	12	1,485-1,495	1,[illegible]
Oslo	5	9.80-9.88½	9.[illegible]
Paris	9½	8.90-8.95	8.[illegible]
Stockholm	5	7.85-7.88	7.[illegible]
Tokyo	6½	515-525	5[illegible]
Vienna	4	31.85-32.25	31[illegible]
Zurich	2	4.42-4.45	4.[illegible]

* Basic discount. † Rates given for convertible franc; financial franc 72.30. † Closing rate for Aug. 8.91½-8.92½.

OTHER MARKETS

		Notes Rates	
Argentina	248.18-248.59	Argentina	[illegible]
Australia	1.4230-1.4382	Austria	[illegible]
Brazil	19.32-19.82	Belgium	[illegible]
Finland	6.92-6.94	Brazil	[illegible]
Greece	64.939-66.314	Canada	[illegible]
Hong Kong	8.7525-8.7775	Denmark	[illegible]
Iran	124-128	France	[illegible]
Kuwait	0.516-0.526	Germany	[illegible]
Luxembourg	69.45-69.65	Greece	[illegible]
Malaysia	4.4265-4.4345	Italy	[illegible]
N. Zealand	1.7720-1.7882	Japan	[illegible]
Saudi Arab.	6.25-6.35	Netherlands	[illegible]
Singapore	4.3880-4.3820	Norway	[illegible]
S. Africa	1.5574-1.5583	Portugal	[illegible]
U.S.	—	Spain	[illegible]
Canada	—	Switzerland	[illegible]
		U.S.	[illegible]
		Yugoslavia	[illegible]

* Basic discount. † Given rate for dealers. ♦ Rate given in Offi. BCRA rate [illegible].

FORWARD RATES

[illegible]

Six-month forward dollar [illegible] pm and 12-month [illegible] pm.

EXCHANGE CROSS-RATES

Aug. 16	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frnkfrt'	—	2.5325-35	50.57-63	6.475-485	4.507-510	94.53-57	101.70-75
N. York	39.69-71	—	19.96-98	2.562-570	1.7795-7805	37.29-31	40.31-34
Paris (c)	197.7-98.2	4.993-5.01	—	12.80½-83½	8.91-935	185.9-86.3	201.0-90
Brussels	15.41-44	39.10-13	7.79-82	—	69.50-64	14.56-58	15.68-71
London	4.50-61	1.781-782	8.91½-92½	69.46-65	—	4.78½-77½	4.42½-43½
Am'rd'm	105.98-03	2.6853-77	53.815-865	6.5715-65	4.775-780	—	107.725-775
Zurich	98.28-37	2.4830-55	—	6.37½-42½	4.4310-45	92.91-99	—

U.S. $ in Montreal. U.S. $=98.68-70 Canadian cents.
Canadian $ in New York. C$=101.31-34 U.S. cents. U.S. $ in Milan 838.00-50.
Sterling in Milan 1490.75-93.0.

EURO-CURRENCY INTEREST RATES*

Aug. 16 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	14⅛-14⅝	5⅛-5⅜	8⅛-9⅛	30-40	3¾-3⅞	[illegible]
7 days notice	14⅛-14⅝	5¼-5⅛	9-10	30-40	3¾-3⅞	[illegible]
Month	14¾-14⅞	5¼-5⅛	9¼-9½	20-21	4⅛-4¼	[illegible]-1
Three months	15⅛-15⅝	5⅝-5⅞	[illegible]	15-18½	4⅜-4½	1⅛-1¼
Six months	15⅛-15⅝	[illegible]	9⅝-9⅞	12¾-13¼	4½-4⅞	2-2⅛
One year	14⅝-15⅝	6¾-7	9⅝-9⅞	11-12	[illegible]	[illegible]

Euro-French deposit rates: two-day 10-10½ per cent.; seven-day 10-10½ per cent.; one-month 10½-10¾ per cent.; three-month 11⅛-11¼ per cent.; six-month 11-11½ per cent.; one-year 11½-12½ per cent.

Longer-term Eurodollar deposits: two years 7⅞-8⅛ per cent.; three years 8⅛-8⅜ per cent.; four years 8⅛-8⅜ per cent.; five years 8⅛-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one-month 5[5/16]-5[7/16] per cent.; three-month 5[7/16]-5[9/16] per cent.; six-month 5⅞-6 per cent.; one-year 6[7/16]-6[9/16] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

Indices

NEW YORK — DOW JONES

	Aug. 16	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	992.77	990.19	987.12	986.78	985.45	985.46	1,011.21 (12/7)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	87.84	87.90	87.77	87.73	87.63	87.61	87.98 (13/8)	85.68 (15/7)	—	—
Transport	221.81	222.28	223.36	222.87	222.85	221.78	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	93.27	92.98	93.06	93.17	93.40	93.27	96.56 (6/8)	84.8 (3/6)	165.52 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	16,210	13,950	15,560	16,710	18,850	11,700	—	—	—	—

* Basis of index changed from July 1.

	Aug. 13	Aug. 6	July 30	Year ago (approx.)
Ind. div. yield %	3.83	3.83	3.83	4.67

STANDARD AND POORS

	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 6	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	116.70	116.66	116.48	116.54	116.87	116.20	118.02 (14/7)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	104.25	104.22	104.06	104.41	105.49	103.73	105.95 (14/7)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Aug. 11	Aug. 5	July 28	Year ago (approx)
Ind. div. yield %	3.46	3.46	3.47	3.95
Ind. P/E Ratio	12.77	12.83	12.67	10.56
Long Govt. Bond yield	5.34	5.45	5.57	5.56

N.Y.S.E. ALL COMMON

Aug. 16	Aug. 13	Aug. 12	Aug. 11	1976 High	1976 Low
55.79	55.69	55.65	55.59	56.54 (12/7/76)	57.08 (2/1/76)

Rises and Falls	Aug. 16
Issues Traded—1,871	Up—751
Down—656	Same—464
New Highs 65	New Lows 19

MONTREAL	Aug. 16	Aug. 13	Aug. 12	Aug. 11	1976 High	1976 Low
Industrial	195.46	195.85	195.18	194.16	207.53 (19/5)	175.62 (2/1)
Combined	189.96	189.64	189.68	190.75	193.73 (20/5)	175.67 (2/1)
TORONTO Industrial	188.50	188.23	188.04	188.65	197.43 (20/2)	173.01 (2/1)
JOHANNESBURG Gold	147.1	147.8	148.5	155.6	228.7 (12/5)	147.1 (16/8)
Industrials	167.6	166.2	168.5	166.5	215.0 (21/5)	167.6 (16/8)

	Aug. 16	Pre-vious	1976 High	1976 Low
Australia (a)	513.91	515.12	518.5 (12/8)	446.32 (5/1)
Belgium (b)	(c)	99.27	113.18 (5/2)	97.86 (8/6)
Denmark (d)	115.02	115.12	116.28 (10/8)	100.20 (10/8)
France (e)	(c)	82.6	[illegible] (5/3)	63.1 (26/7)
Germany (f)	744.4	748.1	821.7 (17/3)	727.8 (9/8)
Holland (g)	89.0	90.2	105.3 (5/2)	89.0 (16/8)
Hongkong (h)	394.04	[illegible]	465.33 (17/3)	384.53 (2/1)
Italy (k)	83.32	83.39	91.87 (23/2)	72.80 (4/6)
Japan (m)	357.01	357.19	386.30 (13/8)	326.28 (6/1)
Singapore (n)	258.37	258.20	283.16 (3/3)	236.35 (2/1)
Spain (p)	(c)	86.67	100.79 (7/5)	85.45 (1/4)
Sweden (q)	465.25	464.34	478.88 (10/8)	383.58 (13/1)
Switz'rl'd (r)	286.0	286.8	298.8 (12/5)	275.5 (4/8)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors—10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—97½% (97¼%).

NEW YORK

Stock	Aug. 16	Aug. 13
Corning Glass	78	78¼
CPC Int'nation'l	48½	48¼
Johns Manville	29¾	29¼
Johnson Johnson	85¾	[illegible]
Republic Steel	36¼	36
Revlon	66	66⅝
Xerox	65⅛	64⅛
Zapata	15⅛	15⅛
[illegible]	[illegible]	[illegible]

CANADA

[illegible]

GERMANY

Aug. 16	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	86.7	−0.4	—	—
Allianz Versich.	425	+3	18s	2.1
B.M.W.	236	+7.5	18	3.9
B.A.S.F.	166	+2.5	14	4.4
Bayer	139.9	+0.9	17	6.1
Bayer Hypo	275	−0.5	20	3.6
Bayer Vereinsbk.	291	−1	20	2.9
Commerzbank	195.5	−0.7	18	4.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Aug. 16	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	699	—	—	—
ANIC	666	−24.5	—	—
Ausonia Fin.	3,499	−1	120	3.7
Bastogi	1,150	−10	70	6.1
Breda	2,947	+37	165	5.7
Burgo	9,460	−50	200	2.1
Centrali	6,950	−50	—	—
CIGA	2,129	−26	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 16	Aust. $	+ or −
Acrow Australia	†0.74	—
Adelaide Brighton Cement 50c	†1.95	—
Allied Mng.-Trdg. Indus. $1	†1.85	+0.05
Ampol Exploration	†1.22	+0.04
Ampol Petroleum	†0.73	—
Assoc. Minerals	†5.30	−0.05
Assoc. Pulp Paper $1	†0.90	−0.05
[illegible]	[illegible]	[illegible]

JOHANNESBURG

[illegible]

PARIS

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND

[illegible]

TOKYO

[illegible]

Source Nikko Securities, Tokyo.

SPAIN

[illegible]

COPENHAGEN

[illegible]

STOCKHOLM

[illegible]

VIENNA

[illegible]

OSLO

[illegible]

FARMING AND RAW MATERIALS

U.K. grain price range forecast

U.K. grain prices can be expected to be effectively within the range set by EEC threshold and intervention levels, as the present prospect is for low world prices this season, the Home-grown Cereals Authority said yesterday.

It said world grain production in 1976-77 is now forecast lower at 1,058m. tonnes instead of the 1,077m. forecast last April. But this shows an 8 per cent. rise on last year and comfortably exceeds the 1973 peak of 1,033m. tonnes.

It said EEC grain imports were expected to be high with a sharply reduced availability of wheat for export. This was likely to lead to much less wheat intervention than might have been the case otherwise, and perhaps none in the U.K., it added.

The authority said the total U.K. 1976 grain crop is expected to be a little less than 15m. tonnes—lower than 1972 and 1973 but better than the poor 1975 crop of 13.8m. tonnes. The 1976 crop is expected to include 5.75m. to 6m. tonnes of wheat and some 8m. tonnes of barley.

Reuter reports from Moscow that grain crops in some areas of the Soviet Union benefited from good rainfall and moderate temperature during the first ten days of August, according to the Soviet Agricultural daily Country Life.

Cocoa leaps higher again

By Our Commodities Staff

COCOA PRICES on the London terminal market moved higher yesterday in response to reports of lower Bahia main crop prospects in Brazil. The December position closed £19.25 higher at £1,278.75 a tonne.

The advance came despite a lower pre-weekend tone in New York which had been expected to depress prices in London. Dealers also noted that fairly heavy hedge selling against producer sales over the week-end failed to discourage the rise, which took December cocoa to an all-time second position peak.

In Accra meanwhile the Ghana Cocoa Marketing Board said purchases of mid-crop cocoa for the week ended August 12 (the tenth of the season) are estimated at 94 tons, bringing the cumulative total to 6,782 tons against 4,646 after ten weeks last year.

Coffee values boosted by Brazilian crop fears

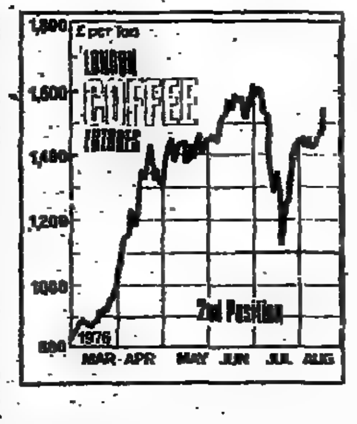
BY RICHARD MOONEY

RENEWED COLD weather in Brazil boosted coffee prices sharply in London and New York yesterday. New York futures quickly achieved permissible limit rises following reports of near zero temperatures in Parana, Brazil's main coffee State, which bore the brunt of last year's frost disaster, and on the London terminal market the November position ended at £1,551 a tonne, £72 above Friday's closing level.

Officials sources were playing down the situation and the Parana Agriculture Secretariat said early reports showed no damage to coffee trees. But private reports received by London traders said there had been damage to new trees and added that the strong winds associated with the low temperatures may have hit flowering for next year's crop.

Nobody is prepared to put a figure on the possible damage but with the world supply situation already tighter than it has been for many years any loss of Brazilian production is bound to have a profound effect on the market. Even following last year's damage Parana was expected to account for some 30 per cent. of Brazil's 1977-78 crop, previously estimated at around 15m. bags (60 kilos each).

Apart from threatening next season's outturn there is a danger that the recovery rate of Parana production could be slowed, making life even more difficult for the world's coffee traders — not to mention Brazil's growers.



Traditional grip

A better idea of what (if any) damage has been done will be available in the middle of next month when the first flush of flowering should be complete. But a second flush comes in late October-early November and the next Parana crop will be difficult *to predict with any confidence* until then. Trees, which have lost flowers from the first flush, could well recover in time for the second, assuming the weather deals no new blow.

Coming at the tail-end of the recognised "frost season" this development has taken the market somewhat by surprise. Apart from a cold spell at the end of June, Brazil's coffee areas have enjoyed an unusually mild winter this year and coffee traders had begun to write off any risk of frost damage. In fact, the absence of frost helped *to send the market tumbling in* July, and recent buoyant conditions had owed nothing to frost fears.

In Abidjan meanwhile, Ivory *Coast authorities have confirmed* that they have decided in principle to sell coffee to Brazil. But the coffee would have to come from the 1976-77 harvest as *none remains from the last crop*, trade sources said. They added that no decision has been reached on the amount to be sold.

Some London dealers remain sceptical, however, on the prospects for such a deal, arguing that with world coffee supplies so tight they can see no motive for the Ivory Coast to sell to another producer. Brazil needs the coffee to keep its own soluble industry going but has admitted that it also sees such purchases as a means of keeping its traditional grip on the world market.

Australian wool exports rise

MELBOURNE, August 16.

AUSTRALIAN WOOL exports rose to 613.08m. kilos (greasy equivalent) in the 11 months from July 1975 to May 1976 from 486.8m. in the corresponding period a year earlier according to the Australian Wool Corporation (AWC).

Japan remained the main customer, lifting its purchases to 198.55m. kilos from 136.49m., followed by Italy with 59.54m. (34.17m.).

In Sydney, meanwhile, wool trade sources said they expected the 1976-77 wool selling season to open this week with prices *slightly higher than at the close* of the 1975-76 season in June.

Sales start to-morrow in Sydney and Melbourne for three days and in Fremantle on August 18 for two days, with a total offering of about 112,000 bales.

The sources said they expected the market to close the week at prices ranging from 2 per cent. to 5 per cent. up on the previous season's closing levels.

The trade is somewhat less bullish about the initial sales for the 1976-77 season than it was a few weeks ago, despite the prospect of a further reduction in the shorn wool clip estimate because of drought. The clip was put at 649.1m. kilos in July and at 671.5m. kilos previously.

The main factor prompting the note of caution is the sluggish rate of the Japanese economic recovery.

Sydney wool traders said Japan had sufficient wool stocks at present, following large purchases in June, to enable it to buy selectively without pushing up the market for some time.

Shortage of combing space in Europe may also moderate European demand for a period, they noted.

Looking to the first half of the season, the sources said they expected the market to remain firm under steady buying with the overall tone depending on a continuation of the economic recovery in the northern hemisphere.

Tightness in world supplies is not expected to be a major market factor for some time because of the high level of AWC stocks. These totalled 1.31m. bales at June 25 but the AWC said it sold moderate *quantities, mainly to Europe,* during the recess at prices above the 1975-76 close.

● Japanese wool spinners and importers are asking the AWC to refrain from intervening in the Australian wool market to push up wool export prices, the Japan Wool Spinners Association said in Osaka.

The association, in conjunction with the Japan Wool Importers Association, sent a written petition to the AWC in which they protested against its 14 per cent. increase in the reserve prices for the 1976-77 season.

The association said a rise in wool prices may discourage wool consumption and result in a cut in import purchases of raw wool.

Reuter

Copper up despite stocks rise

By John Edwards, Commodities Editor

COPPER PRICES rose on the London Metal Exchange yesterday, with the three months quotation climbing above £900 a tonne again, despite a larger than expected rise in warehouse stocks which put a damper on early trading.

Renewed speculative buying, encouraged by the early weakness in the value of sterling, and a firm New York market, helped prices recover from earlier losses following the rise in stocks of 3,825 tonnes to a record total of 554,525 tonnes.

Cash wirebars after closing the morning session with a *settlement* price of £857.5 a tonne ended the afternoon at £869.5 a tonne, £12.75 up on Friday's close. Three months was £14 higher at £900.75.

The tin market also shrugged off a higher than expected rise in warehouse stocks—up by 470 to 8,455 tonnes—and a sharp fall in Penang over the week-end, where prices were down by $M20 to $M1,170 a picul.

Cash tin closed only £13.5 lower at £4,470 a tonne, following some buying interest especially from the U.S. It was pointed out that the fall in Penang basically brought values there closer into line with London.

As expected lead stocks rose by 1,600 to 81,925 tonnes and zinc by 1,625 to 92,450 tonnes. LME silver holdings increased by 300,000 to 28,940,000 ounces.

Israeli produce exports rising

By Our Own Correspondent

TEL AVIV, August 16.

AGREXCO, the Israeli company handling all exports of fresh agricultural produce other than citrus, foresees an increase of nearly 40 per cent. in the value of Israeli exports to $95m. in the coming *agricultural shipment* season, starting October 1.

This compares with increases of 32 per cent. in the value of its sales, and 20 per cent. in the quantity of its exports during the agricultural year now drawing to a close. The increase during 1975-76 affected all categories.

Outstanding successes were avocado pears — 12,000 tonnes worth $12m. against 10,000 tonnes worth $8.9m. in 1974-75; and goose liver, other poultry products, and fish, which at $5m. more than doubled the 1974-75 figure.

SUGAR BEET

U.K. crop prospects wither in drought

BY DAVID RICHARDSON

THE LIKELY yield of this year's U.K. sugar beet crop is difficult to forecast with accuracy. For the past two years it has been quite clear by mid-summer that because of late planting, poor *germination, aphids and/or* drought, the 1974 and 1975 crops could not possibly yield more than two-thirds of normal expectations. But this year has been different in *at least* three vital respects.

To begin with, the crop was planted early in almost perfect *seed beds. By mid-April* almost all of the 510,000 acres contracted to be grown for the BSC were in the ground. (The previous year drilling had hardly *begun by that date.)* In consequence, practically every seede germinated this spring and the number of plants per acre was generally excellent.

A series of mild winters has allowed many aphids to survive, and in late May this year it seemed likely that these predators would damage the crop, with the yellow virus they carry, even more seriously than before. Counts of the bugs at Brooms Barn, the sugar beet experimental farm in Suffolk, at that time revealed that there were 10 times more of them around than in the previous worst yellows year in 1974.

Scorched

It seemed all the more ominous as evidence accumulated of aphids growing immunity to the most widely used *insecticides*. Realising the potential seriousness of this situation, farmers followed sugar beet fieldsmen's advice and alternated the types of insecticides they used, so as to avoid building the immunity further, and at the same time used much more water with the chemical to *help compensate for the hot, dry* weather. As a result, control of the pests was generally effective.

Incredibly, most beet crops survived the first few weeks of the drought very well. The carrot shape and growing habit of the sugar beet root gives it an advantage over most crops when it comes to finding moisture. When soil conditions are good at planting time, as they were this year, it is not unusual for tiny hair roots to go down three to four feet into the sub-soil in search of moisture.

But when temperatures rose to over 90 degrees in late June and *early July and there was still no* rain, growth stopped and the leaves flagged, until some of them touched the hot soil and literally scorched until they died. Light land crops were obviously worst affected, and many of these have never recovered.

Those on heavier land, however, perked up when temperatures dropped to more normal levels and the few showers since have at least kept them alive, and in some cases growing gently.

Estimates of the acreage of really light land crops—which are virtually beyond help and from which yields will be almost negligible—have not yet been given by the British Sugar Corporation, although they must know the figure from their fieldsmens' regular reports. My own guess is that it is around 20 per cent. of the national crop. The remaining 80 per cent. will almost certainly produce below average weights of roots, but as they are still mostly healthy could show dramatic improvement over the next six weeks *before lifting time begins*, given substantial quantities of rain.

This possibility is doubtless the main reason behind the reticence by the British Sugar Corporation in not announcing the results of the first official sampling of the U.K. crop which began last week. The official line is that it is pointless issuing one set of figures in isolation.

Dutch clue

As I have already indicated, I share the BSC's lack of certainty on the total sugar yield.

Clues to the likely U.K. root *weights and sugar contents can* be derived from the figures already published on the European crop. The Dutch in particular have suffered similar weather to ourselves

Dutch polder soils are deeper and hold the moisture better than most in the U.K. Nevertheless, it would be reasonable to assume that similar trends will have been experienced on the better land in this country.

Taking all the conflicting factors into account, therefore, I feel that recent unofficial estimates of a U.K. crop of around 800,000 tonnes, against the 1m. *tonnes target, is theoretically* just possible. If there is no significant rain, however, the figure could be 100,000-150,000 tonnes lower and the long-range weather forecast gives little cause for optimism.

French yield estimates move ahead

PARIS, August 16.

ESTIMATES based on the second beet tests this season indicate France could produce about 2.5m. tonnes of sugar beet in 1976 compared with last year's provisional production figure of 2.97m. tonnes, the French Sugar Manufacturers Association said here to-day.

A spokesman warned that the forecast must be viewed with caution, as average root weights varied considerably from area to area and the eventual outcome would depend *on the weather* in the next few weeks.

The French Sugar Beet Planters' Association said two weeks ago it expected beet production this year to be between 2m.-2.3m. tonnes.

The Manufacturers' Association said the beet tests carried out on August 9 showed sugar content at 17.3 per cent. against 16.1 per cent. at the August 2 test and 14.4 per cent. this time last year.

Average root weight at 288 grammes was up on the August 2 figure of 230 grammes and the 261 grammes recorded a year ago.

The spokesman said the increase in sugar content over the past week was due to hot sunshine but the rise in average root weight was surprising since there had been little or no rain.

Meanwhile in Amsterdam it *was forecast that the Dutch sugar* beet crop this year would yield about 45 tonnes per hectare compared with the ten-year average yield of almost 47 tonnes, although the second beet test has given a more optimistic picture, the Institute for the Rationalisation of Sugar Production said.

Sugar content was put at 14.3 per cent. against 13.2 per cent. at the same time last year and 12.4 per cent. over ten years.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Continued the recovery started last Friday on the London Metal Exchange. After a rather hesitant opening of £886 following the larger than expected rise in warehouse stocks to an all-time record, forward metal steadily moved ahead owing to speculative interest and further short-covering coupled [illegible] reaction to £899 by the close of the afternoon Kerb. Turnover 14,125 tonnes.

Amalgamated Metal Trading reported that cash wirebars traded in the morning at £857, 57.5, three months £886, 7, 6.5, 7, 8, 7.5, 7, 7.5, 8. Cathodes: cash £848, 50, three months £878, 75.5. Kerb: Cash £860, three months £885, 89, 90, 90.5, 91, 92, 93, 94, 95, 96. Afternoon: Wirebars, cash £870, 70.5, three months £903, 02, [illegible]

[illegible] lower. The fall in Penang over the week-end and the further rise in warehouse stocks prompted stale-bull liquidation and short-selling before fresh interest at the lower level, thought to have been on U.S. account, rallied the market. Forward Standard metal traded down to £4,570 before ending at £4,583 on the afternoon Kerb. Turnover 730 tonnes.

Morning: Standard, cash £4,465, 75, [illegible]

LEAD—[illegible]

ZINC—[illegible]

I.G. INDEX 01-351 3466 · NOVEMBER COFFEE 1548-1556

SILVER

Silver was fixed 1.15p an ounce higher for spot delivery in the London bullion market yesterday at 245.4p. [illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

FREIGHTS

DRY CARGO—[illegible] ... sugar section cargoes were covered from Kien-Puncutal to the U.S. Gulf at $13 and from Guatemala to the U.S. Gulf at $6 both f.i.o. for August. A cargo from Mauritius to Montreal or Contrecoeur paid £12.90 f.i.o. and one to Oshawa £14.90 for August-Sept. Coal charterers booked a cargo from Guanta Venezuela to Holland at $11.50 f.i.o. for August while miscellaneous chartering included 17,000 [illegible]

SUGAR

LONDON DAILY PRICE [illegible]

WOOL FUTURES

[illegible]

VEGETABLE OILS

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

COTTON

[illegible]

denaturable: Oct.-Dec. £82.00. Feed barley—Oct.-Dec. £79.50.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 77.10, Nov. 79.70, Jan. 82.30, March 84.70, May 87.10. Business: Sept. 77.30-77.05, Nov. 79.80-79.70, Jan. 82.30-82.10, March 84.90-84.65, May 87.25-87.05. Total sales: 441 lots. Barley, steady. Close: Sept. 73.75, Nov. 76.25, Jan. 81.15, March 83.50. [illegible]

and Wales—Cattle numbers down 4.7 per cent., average price £27.91 (−0.18); sheep up 9.4 per cent., 42.0p (−0.4); pigs up 6.2 per cent., £4.37 (+0.06). Scotland—Cattle up 6.3 per cent., £26.29 (−0.80); sheep up 5.5 per cent., 39.1p (−1.2); pigs up 13.6 per cent., £4.42 (−0.07).

MEAT COMMISSION—Average fatstock prices at representative markets on August 16. GB cattle £27.64 per live cwt [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 16 1976	+ or —	Month ago
Metals			
Aluminium (w)	£526.5	....	£526.5
Free Market (cif)	$870-895	....	$850-870
[illegible]	[illegible]	[illegible]	[illegible]

GRIMSBY FISH—Supply good and demand good. [illegible]

FINANCIAL TIMES

Aug. 13	Aug. 12	Month ago	Year ago
258.52	249.51	254.91	166.60

(Base: July 1, 1952=100)

REUTER'S

Aug. 16	Aug. 13	Month ago	Year ago
1474.1	1465.7	1554.5	1190.7

(Base: September 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

Earthquake shakes up sugar price

NEW YORK, August 16.

SILVER finished slightly easier in mixed trading following grains. Light hedge-selling along with local selling weighed on soyabeans and soyabean products. Reports of cold weather in Brazil attracted aggressive trade and commission-house buying in coffee to hold the market limit-up all day. The same factor boosted cocoa prices. Sugar rallied near the close on rumours of an earthquake in the Philippines which attracted trade buying, Bache reports.

Cocoa—Ghana spot 115½ nom. (115½ nom.). Bahia spot 108½ nom. (106½ nom.). Sept. 102.45 (100.15), Dec. 96.55 (96.55), March 93.75, May 90.30, July 87.40, Sept. 84.43, Dec. 80.05. Sales: 1,128 lots.

Coffee—"C" Contract: Sept. 157.60 bid (154.60), Dec. 150.75 bid (147.75), March 145.50 bid, May 145.50, July 146.00 bid. Sales: 129.

Copper—Aug. 69.70 (69.90), Sept. 70.00 (70.20), Oct. 70.60, Dec. 71.50, Jan. 72.40 settlements. Sales: 3,143 lots.

Cotton—No. 2: Oct. 80.00-80.30 (79.00), Dec. 75.55-76.10 (77.20), March 79.75-79.85, May 79.50, July 79.60, Oct. 71.38, Dec. 67.85-68.00. Sales: 3,000.

†Gold—Aug. 113.00 (113.50), Sept. 113.20 (113.60), Oct. 113.50, Dec. 114.00, Feb. 115.00, April 116.10, June 117.20, Aug. 118.40, Oct. 119.80, Dec. 120.90 settlements. Sales: 251 lots.

Greasewool—Spot 156 nom. (same), Oct. 155.0-167.0 (156.0-167.5), Dec. 155.5-167.8 (154.5-155.5), March 153.5 bid, May unqtd.

†Lard—Chicago loose 19.25 (19.12 nom.). NY prime steam 19.75 asked (19.62 nom.).

††Maize—Sept. 272-275½ (250), Dec. 270½-274 (276-276½), March 285½-285, May 288-288½, July 292½.

‡Platinum—Oct. 158.10 (156.20), Jan. 161.0 (161.10), April 164.00, July 167.20, Oct. 169.50-170.00, Jan. 172.50-173.00. Sales: 285 lots.

‡‡Silver—Spot 432.30 (same), Aug. 432.00 (435.00), Sept. 433.00 (436.00), Oct. 435.50, Dec. 439.10, Jan. 442.90, March 448.00, May 453.30, July 455.60, Sept. 464.10, Dec. 472.70 settlements. Sales: 5,950 lots.

***Soyabeans**—Aug. 641½ (648), Sept. 644-642½ (645½), Nov. 652½-651, Jan. 660-659½, March 666½-667, May 671, July 671½-673.

bSoyabean Meal—Aug. 182.00-183.00 (183.50), Sept. 183.50-183.00 (186.20), Oct. 185.00, Dec. 188.00-192.00, Jan. 190.00-190.50, March 192.00-191.50, May 193.50-193.00, July 193.50-194.00.

Soyabean Oil—Aug. 20.55 (20.45), Sept. 20.30 (20.43), Oct. 20.45-20.50, Dec. 20.65-20.70, Jan. 20.70, March 20.80, May 20.75-20.85, July 20.75-20.80.

Sugar—No. 11: Sept. 10.30 (same), Sept. 11.12-11.20 (10.85-10.88), Oct. 11.62-11.67 (11.25-11.30), Jan. 12.31 nom., March 12.08-12.75, May 12.92-12.97, July 13.05, Sept. 13.16 nom., Oct. 13.20, Jan. unquoted. Sales: 2,548.

Tin—366.00-370.00 asked (370.25 asked).

****Wheat**—Sept. 325½-325 (326-326½), Dec. 339½-339 (340-341), March 351½, May 358, July 362½.

[illegible]

STOCK EXCHANGE REPORT

Firm Gilt-edged pave way for modest rally in equities

Share index up 2.8 at 377.2—Interim figures boost 'Royals'

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sep. 1
Aug. 23	Sep. 2	Sep. 3	Sep. 14

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equities barely stirred during the first hour of trading yesterday with jobbers awaiting the reaction of British Funds to Press comment on last Friday's poor trade figures. In the event, the latter sector opened on a firm note in response to small investment demand encouraged by yield considerations. The relative steadiness of the pound also aided sentiment. Closing gains in gilts ranged to ½ and occasionally more and the Government Securities index made its first forward movement in four trading days with a rise of 0.25 at 62.20.

The firmness in gilts quickly rubbed off on equities and, although there was little by way of genuine demand, some professional short positions were closed and the leaders generally added a penny or two. The FT 30-share index, after having been 0.1 lower at 10 a.m., steadily improved to show a rise of 3.6 at 3 p.m. before closing a net 2.8 higher at 377.2.

Good first-half figures from **Royal Insurance** (up 10 at 308p, after 310p) helped other Composites which were marked up in the late afternoon by 4 to 5. Cement shares also found support, with A.P. Cement (interim figures due shortly) rising 10 to 173p.

Official markings of 4,261, the lowest for two weeks, reflected the lack of business, but the firmer trend was mirrored in the 3-2 ratio of rises to falls in FT-quoted Industrials and confirmed by a 0.2 per cent. improvement in the FT-Actuaries All-Share index at 153.75.

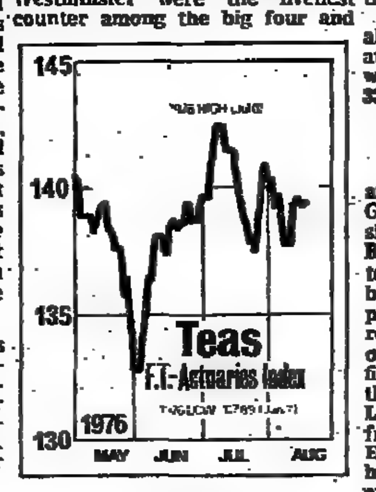
The worst trade deficit for the past 20 months failed apparently to dismay British Funds which more than recovered last Friday's after-hours' losses. A modest investment demand that included the reinvestment of proceeds from the recently-redeemed Treasury 6½ per cent., 1976, issue was reportedly directed at the smaller dealers and selected low-coupon shorts moved up by ⅛, while many medium-longs gained ¼. Once again, both "tap" stocks edged nearer to the levels at which the Government broker was last a seller. Corporations were unaffected by the announcement of a new £15m. issue of Islington 13½ per cent., 1982, stock, to be issued at 99½.

A moderate two-way business was effected in investment currency without having much impact on the premium which, after easing to 97½ per cent., closed unaltered on the day at 97¾ per cent. Yesterday's SE conversion factor was 0.7395 (0.7409).

'Royals' please

A firm market last week on buying ahead of the interim results, "Royals" took a further turn for the better yesterday when the group announced much-better-than-expected first-half profits; a shade firmer at 300p in front of the figures, the price touched 310p on them before closing 10 higher on balance at 308p. Other Composites benefited from the news and were marked higher in sympathy. Sun Alliance ended 5 up at 408p, Guardian Royal Exchange 3 harder at 193p, while Eagle Star and General Accident were 2 better at 120p and 167p respectively. Elsewhere, Britannic hardened 2 to 128p ahead of to-morrow's half-year results but Pearl shed that much to 198p. Sedgwick Forbes hardened 4 to 230p among Brokers; the interim report is due to-day.

ANZ continued to benefit from Australian demand following the recent change of domicile and touched 367p before closing 12 better on balance at 365p. National Westminster were the liveliest counter among the big four and



closed 3 up at 218p. Discounts were quiet but had Allen Harvey and Ross 5 off at 340p; the interim results are due on August 27. Keyser Ullmann touched 41p in Merchant Banks on news that the company will not face a damages claim from Mr. Barnett Shine after all, but then eased back on the results to close unaltered at 39p.

Most of the interest in Buildings was concentrated on Cements, which closed widely better on a revival of investment demand in a short market. Associated, which reported interim figures on August 28 last year, featured with a rise of 10 to 173p; Tunnel "B" improved 8 to 172p, while Rugby, 60p, and RMC, 81p, put on 1 and 2 respectively. Elsewhere, Beechwood Construction responded to a Press mention with a rise of a penny to 20½p, while higher earnings took Ellis and Everard up 3 to 96p. Thames Plywood, 32p, and Vibroplant, 110p, made no apparent response to their respective preliminary statements. Ward Holdings, at 26½p, gave up ½ of Friday's gain of 1½ which followed the interim report.

After easing to 349p, ICI moved ahead to close 3 better on balance at 353p, while Fisons were noteworthy for an advance of 4 to 337p.

Reyrolle down again

Still depressed by the Babcock and Wilcox warning to the Government regarding the acute shortage of power station orders, Reyrolle Parsons receded 4½ more to 112½p for a two-day loss of 9, but the former, at 73p, were a penny better after last Friday's reaction of 6. GEC, which lost 3 on Friday, also closed a shade firmer at 145p. Elsewhere among the Electrical leaders, Philips' Lamp picked up 10 to 845p in front of to-day's interim figures. EMI, 225p, and BICC, 113p, hardened 2 apiece. Allied Insulators gained 1½ to 45½p after the House close, benefiting from the good first-half report, while Lec Refrigeration, with half-time results due Thursday, put on a penny to 51p. Pifco, 52p, and "A," 49p, came back 1½ and 2½ respectively after last Friday's improvements of 3½ which followed the higher profits. Dreamland Electrical held steady at 34½p in front of to-morrow's interim figures.

Stores closed with little alteration following an improved business, Marks and Spencer ending unchanged at 99p. F. W. Woolworth showed a fall of a penny to 61½p ahead of the interim report due to-morrow. Secondary issues also had an easier bias, I. D. and S. Rivlin losing 2 to 20p and Owen Owen declining 3 to 56p.

Tube Investments found some support ahead of to-morrow's first-half figures and finished 4 higher at 324p, after 326p, but other leading Engineerings were little tested. News items helped Mining Supplies harden 1 to 29p and Barton and Sons gain 2½ to 51p, while week-end Press mention took Rotork up 2 to 155p and Weir 1 higher to 80p. Danks Gowerton put on 1 to 41 in reply to increased profits and for a similar reason Beyer Peacock improved ½ to 26p. Tace, however, lost 1 more to 11p, still reflecting the *interim dividend omission* and lower profits. Samuel Osborn revived 3 to 49p, but Braithwaite gave up that much to 114p. Astra Securities were quoted ex the "rights" and scrip issues at 15p with the nil-paid shares at 2½p premium.

J. Lyons featured Foods with a rise of 4 to 82p following Press comment. Meat Trade Suppliers edged up 3 to 88p in front of to-day's preliminary statement, while Cavenham, 111p, and Tate and Lyle, 240p, put on 2 apiece. Brooke Bond hardened a penny to 36p as did Unigate to 50p. Other firm spots included Kinloch (Provision Merchants), 2 up at 122p, and Lindford, 3 higher at 208p. Hotels and Caterers had Brent Walker a penny better at 49p, and Ladbroke 1½ harder at 97p.

Bowater improve

Miscellaneous Industrial leaders generally managed modest improvements, although business was again very thin. Bowater, with half-year results expected September 3, closed 3 up at 184p. Reed International, 230p, and the new nil-paid, 30p premium, added 4 apiece, while Reckitt and Colman, 335p, and Beecham, 358p, both ended 3 harder. Elsewhere, favourable Press comment stimulated interest in Braby Leslie, 67½p, and the new, 67p, which appreciated 4½ and 3 respectively, while Letraset, also on Press mention, gained a penny at 70p. Negretti and Zambra, results due to-day, firmed a penny to 47p, while Securicor, 32p, and "A", 46p, put on 2 apiece awaiting interim results expected September 8. Central and Sheerwood put on 2½ to 28p, but Sears Holdings made a dull showing, closing 2 cheaper at a 1976 low of 34½p. Ozalid, 114p, and Dufay, 46p, relinquished 4 and 3 respectively of recent rises on take-over hopes. With the USDAW union backing the company's call for the Pilkington bid to be referred to the Monopolies Commission, U.K. Optical lost another 2 to 147p; Pilkington held steady at 315p, valuing the offer at 183p. Dealings in Richardson Smith, 50p, have been temporarily suspended at the company's request pending the outcome of a planned acquisition.

Motors and Distributors continued to mark time. British Leyland held a 30p following a Press report that component plants in the Midlands may be moved to Scotland. Honchin remained a dull market, losing 2 more to 62p for a two-day loss of 6. Awaiting to-day's trading statements, Clayton Dewandre, 76p, and Heron Motor, 33p, both closed without alteration.

Beaverbrook "A" were again the most fashionable share in Newspapers and gained 2 further to 34½p, while Thomson drifted back 4 to 296p. Paper/Printings moved narrowly, but Advertising Agencies contained the odd feature. London and Provincial Poster, belatedly reflecting last week's deal with W. H. Smith, rose 3 to 90p, while Kimpher recovered 1 more to 17p.

Ultramar steadier

Ultramar, 4 better at 118p, regained composure after last week's depression on the interim figures. Leading Oils improved marginally in a modest trade, Shell regaining 2 to 424p and British Petroleum a like amount to 585p. Overseas currency influences caused Royal Dutch to lose ½ to £35⅝. Elsewhere, publicity given to a broker's circular helped Tricentrol to pick up 2 to 88p. Among Australian issues, Woodside-Burmah improved 3 to 112p.

Extremely quiet conditions persisted in Properties, although prices were looking a shade firmer, where changed. Among the leaders, Land Securities hardened 2 to 166p and MEPC a penny to 74p, while Slough Estates, with interim results expected to-morrow week, closed fractionally better at 84½p. Regional Properties, 46p, and "A" 41p, were both a shade firmer awaiting Thursday's preliminary results. Stock Conversion put on 2 to 170p and Carding Group a penny to 11½p.

Overseas Traders displayed scattered minor gains. S. Hoffnung were 3 firmer at 104p in response to the profits advance. S. and W. Berisford improved similarly to 151p, while Australian Agricultural added 2 at 92p. However, Ocean Wilsons, a recent take-over favourite, softened 2 to 135p.

An improvement of 2½ to 34½p in Gresham on the 50 per cent. jump in preliminary profits provided the only movement worthy of note in Trusts.

Shippings displayed no set trend after a small turnover. A small speculative interest helped Furness Withy harden 2 to 181p, while Hunting Gibson improved 4 to 132p. P and O Deferred, on the other hand, gave up the turn to 104p.

Courtaulds edged forward 3 to 120p in Textiles where Worth (Bond) were similarly dearer at 37p. Bond Street Fabrics, however, cheapened a penny more to 25p on further consideration of the halved interim profits. SEET, 14½p, were unmoved following the results.

Bats Deferred were active in Tobaccos, rising 5 to 220p, while the Ordinary ended a like amount higher at 273p. After last Friday's gain of 1½ on the chairman's encouraging remarks and announcement of a £10m. expansion programme over the next six months, Rothmans International were much quieter, and closed *unchanged on the day* at 28½p. Imps hardened a penny to 76p.

South African Industrials remained out of favour. Tiger Oats closed 5 easier at 395p following the interim figures.

Plantations were firmer in places. Guthrie put on 3 to 180p, while Moran were marked up 5 to a 1976 peak of 105p.

Mines sag

Mining share markets began the week on a quiet note. South African Gold shares did little more than drift lower in idle trading, reflecting the modest decline in the bullion price which was finally 25 cents easier at $113.125 per ounce.

The Gold Mines index consequently fell back through the 100 level to 99.6, a fall of 1.4 and a loss of 5.5 over the past three trading days. Among the heavyweight issues, Randfontein gave up ¼ to £13¾, while in the lower-priced stocks, losses of 10 were registered by Buffels, 520p, Libanon, 200p and President Steyn, 510p. Venterspost, which last week gave notice of possible closure, eased 1 to a year's low of 74p.

Financials mirrored Golds. GFSA, which announced a sharply reduced dividend and lower profits late on Friday, dropped 75 more to 900p. Amcoal were 10 off at 375p. The London-based Financials also eased despite the better tone of U.K. Industrials, with Gold Fields 2 down at a year's low of 140p.

In otherwise neglected Coppers, Minorco rose 11 to 208p following U.S. interest. Platinums, however, drifted with Ulons 3 off at 120p and Potgietersrust 2 easier at 124p. Tins were barely changed.

Australians lacked direction in line with the trend in overnight markets in Sydney and Melbourne in front of to-day's Federal Budget. MIM Holdings improved 4 to 252p, while North Broken Hill, a firm market of late, rose 3 more to 215p. On the other hand, Poseidon gave up 5 to 2... and Western Mining were a shade easier at 185p.

Elsewhere, Cape interest lifted Consolidated Murchison 20 higher at 720p.

New equipment cuts queues on telephone

NEW EQUIPMENT is helping provide a better service on one of London's best-known telephone numbers—222 1234. The number is used for London Transport's 24-hour travel inquiry service, which handles about 3,000 calls every day.

The equipment—automatic call distribution—has an at-a-glance indicator which shows how many callers are getting ringing tone and waiting for an answer. If a queue builds up to a level which the staff on duty cannot handle quickly, subsequent callers get the engaged tone, so that calls are not accepted until they can be answered in a reasonable time.

The equipment has a fault-spotting device which pinpoints any failures.

A London Transport spokesman said: "The old equipment gave 20 years' stalwart service but was showing its age. The new system should reduce frustrations and benefit everyone."

FINANCIAL TIMES STOCK INDICES

	Aug. 16	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	A Year ago
Government Secs.	62.20	61.95	61.96	62.29	62.30	62.25	60.72
Fixed Interest	61.65	61.68	61.59	61.62	61.63	61.55	60.63
Industrial Ordinary	377.2	374.4	375.3	378.6	375.2	369.9	303.7
Gold Mines	99.6	101.0	103.4	105.1	101.6	97.4	352.6
Ord. Div. Yield	5.88	5.92	5.92	5.87	5.92	6.00	5.82
Earnings Y'ld% (full)(a)	17.11	17.23	17.23	17.10	17.24	17.45	19.69
P/E Ratio (net) (a) (b)	8.66	8.59	8.60	8.66	8.59	8.48	7.35
Dealings marked	4,261	4,736	4,683	4,736	5,088	4,421	4,152
Equity turnover £m.	—	31.73	36.90	44.64	35.87	29.42	39.59
Equity bargains total	—	9,905	10,389	11,553	10,950	10,205	10,900

10 a.m. 374.3. 11 a.m. 376.5. Noon 377.6. 1 p.m. 377.3. 2 p.m. 377.4. 3 p.m. 378.0.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.59.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (13/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	97.2 (6/8/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 16	Aug. 13
Daily—		
Gilt-Edged	200.5	170.5
Industrials	118.9	143.3
Speculative	29.5	37.2
Totals	97.0	107.8
5-day Av'r'ge.		
Gilt-Edged	183.6	176.1
Industrials	137.1	139.8
Speculative	41.9	44.6
Totals	170.0	107.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Mon. Aug. 16 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Fri. Aug. 13 Index No.	Thurs. Aug. 12 Index No.	Wed. Aug. 11 Index No.	Tues. Aug. 10 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	140.98	+0.5	17.45	6.50	6.64	5.56	140.55	141.15	141.42	139.98	107.47	160.06 (21/4)	137.08 (2/6)	206.37 (4/5/72)	50.17 (13/12/74)
2	Building Materials (30)	126.92	+0.9	15.67	7.29	9.66	9.56	126.04	125.82	125.83	125.90	95.32	150.18 (15/1)	119.57 (30/7)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	186.66	-0.6	20.60	5.90	7.66	7.66	187.86	187.65	188.39	188.40	181.01	260.20 (15/1)	177.22 (30/7)	383.53 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	257.20	+0.4	17.21	5.17	8.66	8.45	256.26	259.36	261.14	257.21	206.51	287.30 (21/4)	245.72 (2/6)	360.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	165.74	+0.1	24.37	7.42	6.40	6.40	165.64	170.56	169.67	166.60	126.11	193.18 (3/6)	161.66 (2/6)	202.57 (6/6/73)	94.43 (1/2/76)
6	Engineering (General) (63)	131.70	+0.2	17.74	6.81	8.57	8.37	131.42	131.59	131.56	130.55	92.46	149.29 (3/6)	125.46 (2/1)	168.59 (4/5/72)	46.14 (6/1/75)
7	Machine and Other Tools (9)	57.80	+0.4	16.74	7.56	8.95	8.93	57.56	57.46	57.51	57.06	37.85	60.62 (3/6)	51.19 (5/1)	136.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (25)	126.65	+0.1	14.86	7.11	10.16	9.86	126.57	127.03	126.79	125.96	95.28	141.94 (11/6)	121.53 (2/1)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	121.76	—	18.08	5.65	8.28	8.25	121.70	121.90	122.06	120.87	83.03	141.46 (21/4)	116.86 (2/6)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	131.65	—	17.57	4.38	8.51	8.50	131.58	132.24	132.67	131.19	98.37	160.35 (7/4)	128.75 (2/6)	257.41 (19/6/72)	42.55 (12/12/75)
11	Household Goods (13)	164.33	+0.1	18.80	7.74	8.11	8.08	154.16	153.73	155.57	152.48	124.96	187.22 (7/4)	152.48 (10/8)	263.22 (9/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	78.80	+0.1	18.85	6.75	8.02	7.99	78.71	78.83	78.82	78.10	45.10	85.16 (3/6)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	142.94	—	15.23	6.68	9.91	9.76	142.60	143.09	143.29	142.38	124.44	162.34 (4/2)	138.95 (2/6)	226.06 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	162.89	-0.2	14.49	5.98	10.53	10.53	163.20	162.66	162.53	160.47	139.41	179.43 (2/2)	147.99 (2/6)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	160.97	-0.3	14.56	6.78	10.50	10.50	161.52	160.94	159.86	157.64	137.21	190.67 (5/5)	157.65 (9/8)	257.40 (13/7/72)	78.71 (13/12/74)
16	Entertainment, Catering (14)	174.40	+0.2	14.03	7.63	10.68	10.90	174.11	174.72	174.28	171.37	140.79	211.26 (8/3)	158.17 (2/6)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	155.68	+0.2	16.98	5.67	8.96	8.90	155.22	156.16	157.17	156.28	137.50	179.44 (11/6)	153.38 (2/8)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	151.65	+0.5	13.43	5.93	10.86	10.86	150.98	152.05	152.75	152.95	125.39	160.06 (12/1)	126.86 (2/6)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	181.00	-0.1	15.59	5.79	11.51	11.51	181.14	181.56	178.10	178.45	118.62	194.34 (11/5)	167.01 (2/6)	250.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	98.59	-0.1	16.52	7.71	9.31	9.31	98.45	98.30	98.40	98.54	83.38	112.60 (28/2)	94.92 (2/6)	155.69 (28/4/72)	43.46 (6/1/75)
21	Stores (34)	117.25	-0.5	15.10	5.96	11.76	11.74	117.81	118.06	118.61	117.80	107.90	136.24 (2/2)	113.17 (2/6)	304.59 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	142.22	+0.8	11.38	8.07	12.69	10.68	141.11	141.43	142.05	142.31	126.99	165.19 (30/1)	139.85 (30/7)	263.72 (17/3/62)	62.66 (11/12/74)
23	Tobaccos (3)	213.48	+0.5	20.55	8.09	7.25	7.25	212.44	211.62	211.12	209.64	177.24	241.89 (3/6)	207.38 (2/8)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	74.86	—	20.14	7.99	6.65	6.62	74.86	74.44	73.76	74.15	41.23	80.95 (16/7)	59.13 (22/1)	135.72 (18/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	206.66	+0.2	12.29	6.50	11.40	11.40	206.18	206.46	206.67	206.04	162.66	231.38 (3/6)	199.46 (6/1)	231.38 (3/6/76)	71.20 (1/12/74)
26	Office Equipment (9)	86.56	-0.2	13.64	6.01	10.75	10.75	86.73	88.06	88.52	87.66	73.40	100.18 (19/6)	86.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	378.79	-0.7	13.15	6.80	11.06	10.03	381.49	380.47	384.18	379.16	313.36	432.64 (30/1)	355.52 (19/3)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	148.64	-0.2	14.79	7.70	10.08	10.07	148.90	149.22	149.76	148.94	124.62	172.98 (21/4)	146.05 (2/8)	258.83 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	147.40	+0.1	15.55	6.47	9.71	9.61	147.25	147.60	147.88	146.84	120.62	165.38 (3/5)	143.68 (2/6)	220.17 (1/6/72)	59.01 (13/12/74)
30	OILS (4)	351.50	+0.4	12.18	4.67	9.49	8.79	350.01	350.68	353.71	353.66	288.67	395.84 (25/5)	331.34 (16/2)	431.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	164.20	+0.1	14.34	6.10	9.68	9.47	163.96	164.33	164.82	163.83	134.48	183.00 (4/6)	161.07 (2/6)	227.95 (16/2/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	125.43	-0.2	—	6.11	—	—	125.16	125.27	125.85	123.86	116.62	153.46 (30/1)	118.52 (2/6)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	146.26	+0.8	22.99	6.27	5.69	5.69	145.11	143.84	145.84	142.19	138.18	192.16 (29/1)	140.20 (9/8)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	146.33	-0.1	—	9.32	—	—	148.43	148.13	148.13	146.38	138.19	186.52 (13/1)	145.02 (4/6)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	92.66	+4.1	—	7.01	—	—	89.04	89.54	88.03	86.44	84.48	132.10 (26/2)	88.44 (30/7)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	102.79	+0.1	—	6.94	—	—	102.71	102.81	103.99	103.21	104.06	129.46 (30/1)	95.91 (2/6)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	101.47	-0.6	—	6.95	—	—	102.05	104.25	103.07	100.80	84.77	119.75 (30/1)	92.03 (10/6)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	231.36	+0.3	10.59	4.98	13.96	13.95	230.60	230.40	230.86	227.74	181.64	276.90 (11/5)	218.26 (5/1)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (16)	68.70	—	—	8.14	—	—	68.72	68.76	68.89	69.09	79.10	93.83 (27/1)	68.70 (16/8)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	168.19	+0.2	3.65	3.33	51.11	46.65	168.80	168.90	169.91	167.25	140.92	194.57 (30/1)	144.37 (2/6)	557.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	71.94	—	17.82	8.58	8.68	8.66	71.94	71.94	71.94	71.94	60.92	91.98 (3/2)	68.44 (6/7)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	142.20	—	3.73	6.33	27.72	27.72	142.18	143.54	143.52	142.43	143.47	164.55 (30/1)	141.96 (2/6)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	153.75	+0.2	—	6.13	—	—	153.52	153.88	154.36	153.10	130.33	172.64 (30/1)	150.42 (2/6)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	474.72	+0.5	9.80	5.90	14.94	13.67	472.64	472.54	474.42	475.10	404.40	523.40 (7/5)	404.67 (14/1)	556.37 (23/7/75)	84.66 (25/8/65)
45	Teas (8)	139.30	+0.2	29.06	5.13	4.57	4.45	139.14	139.58	139.24	137.76	101.46	142.43 (6/7)	117.89 (7/1)	148.43 (6/7/76)	59.78 (17/10/74)
46	Coppers (3)	183.98	-2.1	53.83	9.36	1.86	1.86	179.76	181.17	179.76	178.35	368.09	301.47 (11/5)	177.60 (9/8)	567.78 (15/7/75)	94.08 (29/4/62)
47	Mining Finance (11)	88.86	-0.1	11.74	5.64	9.59	9.52	88.80	89.82	90.64	88.85	122.57	119.77 (7/1)	86.18 (5/8)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (9)	112.78	-0.7	14.20	8.90	10.81	10.76	113.57	113.85	113.90	114.15	83.98	119.14 (20/7)	86.09 (9/2)	125.43 (12/1/73)	54.85 (7/5/71)
49	Overseas Traders (13)	214.14	-0.3	15.90	4.54	8.17	8.16	213.55	214.55	216.90	215.93	199.53	254.47 (3/6)	208.94 (2/6)	254.47 (3/6/76)	97.37 (6/1/75)

	FIXED INTEREST	Monday Aug. 16 Index No.	Monday Aug. 16 Yield %	Friday August 13	Thursday August 12	Wed. August 11	Tuesday August 10	Monday August 9	Friday August 6	Thurs. August 5	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.02	14.10	14.09	14.09	14.08	14.08	14.06	14.06	14.02	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.58	15.38	48.30	48.35	48.70	48.71	48.62	48.65	48.71	50.24	53.45 (30/1)	47.56 (2/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr Red. Deb. & Loans (15)	50.16	14.73	50.16	50.19	50.19	50.19	50.22	50.22	50.28	47.67	52.40 (21/5)	46.68 (2/1)	113.46 (28/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	48.72	14.20	48.72	48.72	48.94	48.75	48.84	48.83	[illegible]	46.62	51.23 (18/2)	45.43 (7/5)	114.41 (13/9/63)	33.45 (6/12/74)
5	Coml. and Indl. Prefs. (20)	68.01	13.82	68.77	68.39	68.39	68.20	68.24	68.44	68.35	67.20	71.97 (2/2)	62.76 (2/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	15/1/70	154.76	All Other	10/4/62	100.00
Toys and Games	15/1/70	135.72			
Office Equipment	16/1/70	152.74			
Industrial Group	31/12/70	132.20			
Miscellaneous Financial	31/12/70	129.06			
Food Manufacturing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ISM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 22p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	18	220	+3	225	205
Natl. Westminster 'New'	Nil/pd.	13	29*	+2	31*	15*
ICI	£1	11	353	+3	402	328
Lloyds Bank	£1	9	205	+2	266	195
Reed Int'l 'New'	Nil/pd.	9	30*	+4	30*	19*
Burmah Oil	£1	7	40	—	53	31
Dunlop	50p	7	87	+1	98	69
Marks & Spencer	25p	7	99	—	108	88
Rank Org.	25p	7	132	-1	195	142
Rugby P. Cement	25p	7	60	+1	91	51
Shell Transport	25p	7	424	+2	462	378
Beecham	25p	6	358	+3	390	339
Comm'l Union	25p	6	122	—	158	106
GEC	25p	6	145	+1	168	142
Imperial Group	25p	6	76	+1	88	70

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sep. 1	Sep. 13	Nov. 25	Dec. 7
Sep. 14	Sep. 27	Dec. 9	Dec. 21

"Calls" were done in Burmah Oil, J. Finlan, Kinloch (Provision Merchants), Aberdeen Construction, Slater Walker, Dunlop, Head Wrightson and Charterhall Finance, while "doubles" were arranged in Burmah Oil, Group Lotus, Dunlop and Slater Walker.

Industrials		E.M.I.	17	Midland Bank	22	Cap. Counties	6
		Fitch Lovell	6	Nat'West Bank	20	E.P.	5
A. Brew	6½	Gen. Accident	11	"Do" Warrants	7½	Int. Europe	7
A. P. Cement	15	Gen. Electric	13	P&O Dfd.	11	Land Securities	14
Assoc. Leisure	8	Glaxo	35	Plessey	7	MEPC	7
BSR	9	Grand Met.	7	R.H.M.	5	Peachey	6
Babcocks	8	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Barclays Bank	22	Guardian	16	Reed Int'l	25	Town & City	2½
Berrywiggins	5	G.K.N.	25	Reyrolle	11		
Beecham	26	Hawker Sidd.	35	Rothmans	4	Oils	
Boots Drug	12	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
Bowaters	16	I.C.I.	20	Spillers	4	Burmah Oil	4½
B.A.T.	21	"Imps"	7	Tesco	4	Shell	27
British Leyland	5	I.C.L.	14	Thorn 'A'	22	Ultramar	14
BOC In.	5½	Inveresk	7	Trust Houses	9		
Brown (J.)	9	Legal & General	12	Tube Invest.	27	Mines	
Burton 'A'	6½	Ladbroke	11	Unilever	38	Charter Cons.	15
Cadburys	8	Lex Service	3½	Utd. Drapery	8	Chart'rh'll Fin.	4
Cavenham	10	Lloyds Bank	22	Vickers	15	Cons Gold	15
Courtaulds	11	"Lofs"	4	Williams Hud'n	4	Hampton Areas	12
Debenhams	8	London Brick	4½	Woolworths	6	Lonrho	9
Distillers	13	Lucas Inds.	20			Rio T. Zinc	17
Dunlop	7½	"Mams"	7	Property		Western M'ng.	16
Eagle Star	11	Marks & Sp'ncr	8	Brit. Land	3½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (9)

CORPORATION LOANS (1)
Middx. 5½pc 1980
COM'WEALTH & AFRICAN LOANS (1)
Aust. 5pc '74-76
AMERICANS (2)
Tenneco 10pc Ln. 1991-95 — UOP
ENGINEERING (1)
Beyer Peacock
PROPERTY (1)
Jermyn Inv.
OILS (1)
Tricentrol
TEAS (2)
Assam Frontier — Moran

NEW LOWS (32)

AMERICANS (1)
Vetco Inds.
CANADIANS (1)
Seagram
BANKS (1)
Allen Harvey & Ross
BUILDINGS (1)
Summers (O. C.)
STORES (2)
Preedy (Alfred) — Rivlin (I. D. & S.)
ELECTRICALS (2)
Goldring — Muirhead
ENGINEERING (1)
Clarke Chapman
INDUSTRIALS (6)
Denbyware — Scot. & Utd. Invs.
Gallenkamp — Sears Hldgs.
Jardine Matheson — Talbex
TEXTILES (2)
Bond St. Fabrics — Mackay (Hugh)
TRUSTS (7)
Alliance Trust — Romney Trust
Ashdown Inv. — Sizewell
Dominion & Gen. — Trans. Oceanic
Edinburgh Inv. Dfd.
MINES (8)
Bracken — Libanon
Grootvlei — Venterspost
Leslie — Cons. Gold Fields
Elsburg — Sabina Invs.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	55	—	—
Corpns. Dominion and Foreign Bonds	6	2	56
Industrials	249	173	1,296
Financial and Prop.	84	68	418
Oils	8	2	22
Plantations	7	2	38
Mines	14	45	85
Recent Issues	8	5	32
Totals	431	297	1,941

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%
American Express Bank	10½%
Anglo-Portuguese Bank	11 %
Henry Ansbacher	11 %
Banco de Bilbao	10½%
Banco de Jerez	12 %
Bank of Cyprus	11 %
Bank of N.S.W.	10½%
Banque du Rhone S.A.	11 %
Barclays Bank	10½%
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10½%
■ Brown Shipley	11 %
Canada Permanent AFI	10½%
Capitol C & C Fin. Ltd.	12 %
Cayzer, Bowater Co. Ltd.	11 %
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*10½%
Corinthian Securities	10½%
Credit Lyonnais	10½%
G. R. Dawes	11½%
Duncan Lawrie	10½%
English Transcont.	11 %
First London Secs.	10½%
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	10½%
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Julian S. Hodge	11½%
Hongkong & Shanghai	10½%
Industrial Bank of Scot.	10½%
Keyser Ullmann	11 %
Knowsley & Co. Ltd.	12½%
Lloyds Bank	10½%
London & European	11 %
London Mercantile	11½%
Midland Bank	10½%
■ Samuel Montagu	10½%
■ Morgan Grenfell	10½%
National Westminster	10½%
Northern Comm. Trust	11 %
Norwich General Trust	11 %
Portman Guaranty	9½%
P. S. Refson & Co.	10½%
Rossminster Accept'cs.	10½%
Schlesinger Limited	11 %
E. S. Schwab	12 %
Security Trust Co. Ltd.	12 %
Shenley Trust	12½%
Standard Chartered	10½%
Trade Development Bk.	10½%
Twentieth Century Bk.	12½%
United Bank of Kuwait	10½%
Whiteaway Laidlaw	11½%
Williams & Glyn's	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼% and over £25,000 7½%.
§ Demand deposits 8%.
‡ Call deposits over £1,000 6½%.

CORAL INDEX
Close 376-381

INSURANCE BASE RATES

† Atlantic Assurance	10½%
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in adequate supply in the London money market yesterday, and the authorities were not required to intervene. The market was helped by surplus bank balances brought forward and a large excess of Government disbursements over revenue transfers to the Exchequer. This included the redemption proceeds of Treasury 6½ per cent. 1976. On the other hand there was a net take-up of Treasury bills and payment of monthly special deposits. *Factors tend to* indicate a surplus of funds to-day.

Discount houses paid 10¾-10⅞ per cent. for secured call loans in the early part, and rates eased during the day to close between 8 per cent. and 9 per cent. In the interbank market overnight loans commanded 10¼-10⅞ per cent. initially, but quickly slipped to 10¼-10⅜ per cent. By early afternoon, rates had fallen to 9-9½ *per cent. before* hardening at the close to 10-10½ per cent. Short-term fixed period interest rates recorded little change.

Rates in the table below are nominal in some cases.

Aug. 16 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-10½	—	—	—	10¾-10⅞	8-10⅝	—	—	—
2 days notice	—	—	10⅝-10¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	10½-10¾	10¾	—	10½-11	—	10½-10⅝	—	—	—
One month	10¾-10⅝	10¾-10⅞	10⅞	11¼-10⅞	10⅞-11¼	—	10⅝	10¾-10⅝	10⅝-10⅞	11¼
Two months	11⅛-10⅞	10⅞-11⅛	—	11¼-10⅞	11⅛-11⅜	—	10¾	10⅞-10¾	10⅝-10⅞	11⅜
Three months	11⅛-11¼	11⅛-11¼	11-11⅛	11½-10⅞	11⅛-11⅜	—	10½	10½	11-10⅞	11½
Six months	11⅞-11⅞	11⅞-11⅞	11⅝-11¼	11⅝-10⅞	11⅞-12	—	—	—	11	11½
Nine months	11⅞-11¾	11½-11⅝	—	11¾-11½	—	—	—	—	—	—
One year	11⅞-11⅞	11⅞-11⅞	11⅞-12	12-11½	—	—	—	—	—	—
Two years	—	—	12⅜	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13¼-13½ per cent.; four years 13¼-13½ per cent.; five years 13¼-13½ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 per cent.; four-month trade bills 11½ per cent. Approximate selling rate for one-month Treasury bills 10 21/32-10½ per cent.; two-month 10 23/32 per cent.; and three-month 10½ per cent. Approximate selling rate for one-month bank bills 10 13/16-10½ per cent.; two-months 10 11/16 per cent.; and three-month 10 13/16-10½ per cent.; one-month trade bills 11¼-11½ per cent.; two-month 11¼-11½ per cent.; also three months 11¼-11½ per cent.

Finance House Base Rates published by the Finance Houses Association) 11½ per cent. from August 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Bank Rate for lending 10½ per cent. Treasury bill average tender rate of discount 10.9769 per cent.

AUTHORISED UNIT TRUSTS

Bridge Fund Managers Ltd. (a)(c)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥ (a)(c)

Canada Life Unit Tst. Mngrs. Ltd.♥

Capel (James) Mngt. Ltd.♥

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)

Charterhouse Japhet♥

Confederation Funds Mgt. Ltd.♥ (a)

Cosmopolitan Fund Managers

Coyne Investment Mgmt. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

Equitas Secs. Ltd. (a)(g)

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.♥

G.T. Unit Managers Ltd.♥

G. & A. Tst. (a)(g)

Gartmore Fund Managers ♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)♥

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.♥ (a)

Intel.♥ (a)(g)

Ionian Unit Tst. Mngmnt. Ltd.♥

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Lawson Securities Ltd.♥ (a)(c)

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

London Wall♥ (a)(g)

M & G Group♥ (y)(c)(z)

ManuLife Management Ltd.♥

Mercury Fund Managers Ltd.

Midland Bank Gp. Un. Tst. Mgrs. Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mgemnt. Ltd.

Mutual Unit Trust Managers♥ (a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

New Court Fund Managers Ltd. (g)

Norwich Union Insurance Group

Oceanic Managers (a)(g)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Piccadilly Unit T. Mgrs. Ltd.♥ (a)(b)

Practical Invest. Co. Ltd.♥ (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Unit Tst. Mngrs.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Remigium Management Ltd.♥

Ridgefield Management Ltd.

Rothschild & Lowndes Mgmt. (a)

Rowe & Pitman Management Ltd.♥

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group Ltd.

Save & Prosper Securities Ltd.♥

Scotbits Securities Ltd.♥

J. Henry Schroder Wagg & Co. Ltd.♥

Scottish Equitable Fnd. Mgrs. Ltd.♥

Sebag Unit Tst. Managers Ltd.♥ (a)

Security Selection

Slater Walker Tst. Mgmnt. (a)(g)

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥ (a)(g)

Target Tst. Mgrs. (Scotland) (a)(b)

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co.♥

Trident Trusts (a)(g)

Schlesinger Trust Managers Ltd.

Tyndall Managers Ltd.♥

Tyndall Nat. and Comm.♥

TSB Unit Trusts (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

[illegible]

REGIONAL MARKETS

[illegible]

IRISH

[illegible]

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.♥

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Charterhouse Japhet Life Ass. Co. Ltd.♥

The City of Westminster Assur. Soc.♥

The City of W'minster Ass. Co. Ltd.♥

Westminster Managed Fund

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.♥

Credit & Commerce Insurance

Crescent Life Ass. Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Ass.

General Portfolio Life Ins. C. Ltd.♥

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

The Individual Life Ins. Co. Ltd.♥

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

For Life & Equity Assurance see Cannon Assurance Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Assurance♥

M & G Group♥

Magna Assurance Company Ltd.

Merchant Investors Assurance♥

NEL Pensions Ltd.

New Court Property Fund Mngrs. Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Prudential Pensions Limited♥

Reliance Mutual

Royal Insurance Group

Save & Prosper Group♥

Scottish Widows' Fnd. & Life Ass. Soc.

Slater Walker Insurance Co. Ltd.

Sun Alliance Fund Mangmt. Ltd.

Sun Life of Canada (U.K.) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Group♥

Vanbrugh Life Assurance♥

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

Schroder Life Group♥

Saveguard Assurance Limited♥

[illegible]

OFFSHORE AND OVERSEAS FUNDS

Albany Fund Management Co. Ltd.

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Banque Bruxelles Lambert

Bk. of London & S. America Ltd.

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I. O. Man) Ltd.

Bishopsgate Commodity (Ldn. Agts.)

Bridge Management Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Cornhill Ins. (Guernsey) Ltd.

Delta Group

Dreyfus Intercontinental Inv. Fd.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

F.I.R.S.T. Managers Ltd.

First Viking Commodity Trust

Free World Fund Ltd.

G.T. Management Ltd. Ldn. Agts.

G.T. Management (Asia) Ltd.

G.T. Management (Jersey) Ltd.

Hambro Pacific Fund Mgemnt. Ltd.

Hambros (Guernsey) Limited

Hapur Management Ltd.

Oliver Heath and Co. (IoM and Gib.)

Henderson BSM Mgemnt. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Overseas Fund S.A.

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Keyselex Mngt. Jersey Ltd.

Kemp-Gee Management Jersey Ltd.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds International Mgmnt. S.A.

M & G Group

Lamont Investment Mngt. Ltd.

Negit S.A.

Negit Ltd.

Neptune Intnl. Fnd. Mgrs.

Old Court Fund Mngrs. Ltd.

Old Court Commodity Fd. Mgrs. Ltd.

Arbuthnot Growth Overseas Ltd.

Property Growth Overseas Ltd.

Royal Trust (CI) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger Intl. Mngmt. Ltd.

Schlesinger Fnd. Mgrs. (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Singer & Friedlander Ldn. Agents

Slater Walker Tst. Mgt. (Jersey) Ltd.

Samuel Montagu Ldn. Agts.

Murray, Johnstone (Inv. Adviser)

Surinvest Copper Trust Mngrs. Ltd.

Surinvest Trust Managers (C.I.) Ltd.

Target Trust Mgrs. (Cayman) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management♥

[illegible]

NOTES

[illegible]

APPOINTMENTS

COMPANY NOTICES

ESSO PETROLEUM COMPANY LIMITED

LONDON AND LIVERPOOL TRUST LIMITED

NEW CENTRAL WITWATERSRAND AREAS LIMITED

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

ALGEMENE BANK NEDERLAND N.V.

LEGAL NOTICES

[illegible]

GOURMET

GALLIPOLI RESTAURANT [illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101	99	Treasury 10½pc 1976‡‡	99	+	10.52	10.75
98	95	Treasury 6¾pc 1977‡‡	97	+	6.40	10.70
97¼	94½	Electric 3pc '74-77	97xd	+	3.09	8.51
103	92	Treasury 11½pc '77‡‡	100⅛	+	11.46	11.03
95⅛	91⅞	Treasury 3pc '77‡‡	94½	+	3.17	7.68
95⅝	92¼	Transport 4pc '72-77	95	+½	4.21	7.98
99	90½	Treasury 9pc 1978‡‡	97xd	+½	9.24	10.88
101½	97	Treasury 10½pc '78‡‡	99	+	10.56	10.81
93⅛	89⅝	Exchequer 5pc '76-78‡‡	92½	+½	5.40	8.95
103	97⅞	Treasury 11½pc '79‡‡	100xd	+	11.45	11.33
88⅞	83⅝	Treasury 3pc '79‡‡	87xd	+	3.45	7.83
89⅞	73⅞	Electric 4½pc '74-79	87⅝	+¼	4.85	8.88
100	94⅞	Treasury 10½pc '79‡‡	97	+	10.80	11.52
88¾	83⅝	Electric 3½pc '76-79	86	+¼	4.03	8.17
96	90¾	Treasury 9pc 1980‡‡	93xd	+	9.63	11.33
96½	91¼	Treasury 9½pc '80‡‡	93¼	+	10.19	11.76
86	82¼	Treasury 3½pc '77-80	85⅝	+¼	4.09	7.92
89½	71	Funding 5¼pc '78-80‡‡	87½	+¼	6.00	9.18
103	96	Treasury 11½pc 1981‡‡	99	+	11.60	11.74
86	79	Treasury 3½pc 1979-81	84⅞xd	+¼	4.12	7.52
95⅝	90⅛	Treasury 9¾pc 1981‡‡	92	+	10.59	12.01
		Five to Fifteen Years				
94½	86	Treasury 8½pc '80-82‡‡	88½	+⅜	9.69	11.60
107¼	97⅜	Treasury 12pc 1983‡‡	97¾xd	+⅜	12.15	12.30
81⅛	73¼	Funding 5½pc '82-84‡‡	76⅝	+⅜	7.22	10.15
87⅝	79⅜	Treasury 8¼pc '84-86‡‡	83⅞	+⅜	10.49	11.88
74⅞	67⅛	Funding 6½pc '85-87‡‡	70⅛	+⅜	9.53	11.80
77⅝	71	Treasury 7¾pc '85-88‡‡	72⅛	+⅜	10.81	12.45
51¼	45⅝	Transport 3pc '78-88	49	+⅜	6.17	10.76
59¾	52¾	Treasury 5pc '86-89	55½	+⅜	9.29	12.10
103⅜	93¾	Treasury 13pc 1990‡‡	95⅝	+⅜	13.76	13.90
75⅞	68	Treasury 8¼ 87-90‡‡	70⅜	+⅜	11.96	13.18
60	53⅛	Funding 5¾pc '87-91‡‡	55¼	+¼	10.72	12.85
		Over Fifteen Years				
100½	87⅞	Treasury 12¾pc '92‡‡	92⅜	+⅜	13.94	14.10
98½	85¼	Treasury 12½pc '93‡‡	90⅜	+⅜	14.01	14.18

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 35¼% (based on $1.7880 per £)

Conversion factor 0.7295 (0.7409)

CANADIANS

S.E. List Premium 35¼% (based on $1.7580 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	300	Blyvoor 25	310		Q75c	ϕ	15.7
£14	510	Buffels R1	520	−10	Q125c	ϕ	15.6
198	85	Deelkraal R0.20	90		—	—	—
760	170	Doornfontein R1	185		Q55c	ϕ	19.2
965	430	East Drie R1	435	−5	Q75c	2.7	11.2
280	130	Elandsrand Gld 20c	138	−2	—	—	—
190	63	Elsburg R1	63	−1	[illegible]	1.0	[illegible]
£16½	725	Hartebeest R1	798	−12	Q190c	ϕ	17.7
695	300	Kloof Gold R1	310	−5	Q47c	ϕ	9.8
760	200	Libanon R1	200	−10	Q80c	ϕ	25.9
740	300	Southvaal 50c	300		Q5c	1.5	1.7
245	115	Stilfontein 50c	120		‡Q36c	2.2	‡
925	825	Vaal Reefs 50c	650		‡Q75c	2.1	‡
420	74	Venterspost R1	74	−1	‡Q70c	1.9	‡
£35	£14	W. Drie R1	£14½		Q335c	ϕ	15.0
315	95	Western Areas R1	96	−2	‡Q52c	1.4	‡
£15¼	520	Western Deep R2	580	−5	[illegible]	1.6	‡
290	136	Zandpan R1	142		Q31½c	ϕ	13.2

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	65	Free State Dev. 50c	70xd		Q9c	0.6	8.3
925	875	F.S. Geduld 50c	888	−12	‡Q330c	1.5	‡
200	57	F.S. Saaiplaas R1	74	−3	Z5c	ϕ	5.2
465	240	Harmony 50c	260		Q65c	ϕ	16.2
195	53	Loraine R1	54		Q5c	0.5	7.2
£18½	875	Pres. Brand 50c	875		‡Q250c	1.3	‡
£13	500	Pres. Steyn 50c	510	−10	‡Q125c	2.2	‡
900	825	St. Helena R1	853	−12	‡Q250c	1.2	‡
174	76	Unisel	80		—	—	—
330	140	Welkom 50c	160		‡Q55c	1.7	‡
£25½	£12¾	W. Holdings 50c	£12¼		‡Q475c	1.2	‡

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	8½		0.1	ϕ	2.0
39½	23	Charterhall 5p	25½	−½	—	—	—
990	580	Cons. Murch. 10c	720	−20	†Q50c	1.8	7.2
455	245	Northgate C$1	305		—	—	—
239	178	R.T.Z.	195		5.42	2.1	4.3
112	80	Sabina Inds. C$1	80	−2	—	—	—
£15⅝	£10	Tara Expln. $1	£14½	−¼	—	—	—
45	32½	Tehidy Minerals 10p	43		h1.08	ϕ	3.9
145	84	Yukon Cons. C$1	128	+3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Sterling denominated securities which include investment dollar premium
- "Tap" Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- Interim since increased or resumed.
- Interim since reduced, passed or deferred
- Tax-free to non-residents
- Figures or report awaited
- Unlisted security
- Price at time of suspension
- Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- Free of Stamp Duty
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated
- Based on 1973 profits
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided
- Excluding a final dividend declaration.
- Regional price.
- No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £25 per annum for each security

FINANCIAL TIMES

Tuesday August 17 1976

Tanaka charged with taking £1m. bribes

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, August 16.

MR. KAKUEI TANAKA, the former Japanese Prime Minister, was indicted to-day on a charge of receiving bribes worth Y500m. (£967,000) from Lockheed Aircraft Corporation in connection with Lockheed's sales of Tristar airliners to All Nippon Airways.

The indictment marks a watershed in post-war Japanese politics. It is the first time a politician has been charged with a criminal offence committed while holding office as Prime Minister.

Soon after the war another former Prime Minister, Mr. Hitoshi Ashida, was indicted on a bribery charge. But the case involved Mr. Ashida's alleged conduct as Foreign Minister before reaching the premiership.

Mr. Ashida was acquitted, as was Mr. Tanaka on much smaller bribery charges brought against him soon after the start of his political career in 1948.

With the indictment of Mr. Tanaka come related charges against three former executives of Marubni Corporation, the Japanese trading company which was Lockheed's Japanese agent until the Lockheed affair was exposed this spring.

The three executives, who included Mr. Hiro Hiyma, a former Marubeni chairman, are charged with having passed Lockheed funds to Mr. Tanaka in exchange for help in procuring the All Nippon Airways contract for Lockheed.

Election

The indictment of Mr. Tanaka and of the three Marubeni executives coincides with rumours that the arrests of other prominent politicians connected with Lockheed may be imminent.

These may include some members of the present cabinet headed by Mr. Takeo Miki. If such arrests are made Mr. Miki will almost certainly be forced to resign although he is not involved in the affair. A period of turmoil in Japanese politics could be expected.

The political crisis is given another twist by the fact that Japan must hold a general election by the end of this year. The term of the present Parliament expires in December.

The Liberal Democratic Party holds a comfortable majority in the present Lower House of the Diet, but will need to increase its majority slightly to retain full control after the election, since the number of seats in the Lower House is to be increased.

Political observers say the party has little chance of doing this in its present state of disarray and demoralisation. A more probable alternative to the party closing ranks and fighting a successful election in the face of the Lockheed affair would seem to be a party split. Mr. Takeo Miki may lead supporters from the Left wing of the party either into a new group or into partnership with segments of one of the Leftist opposition parties.

The timing of future moves in the Lockheed affair remains doubtful. There have been reports that the police may have been delaying the arrest of cabinet ministers for fear that a major upheaval in Japanese politics could affect the outcome of the Republican Presidential nomination in the U.S. If these rumours are correct the next Lockheed moves could be expected from the end of this week.

Bernhard inquiry ends

BY MICHAEL VAN OS — THE HAGUE, August 16.

QUEEN JULIANA of the Netherlands has decided to cut short her summer holiday. She returns home to-morow after the conclusion of a six-month inquiry into the involvement of her husband, Prince Bernhard, in the Lockheed bribery scandal.

The Queen has been staying at the Italian resort of Porto Ercole and was expected to return at the end of the month.

Mr. Joop Den Uyl, the Dutch Prime Minister, has refused to comment on the commission's conclusions and has stated that approval of the U.S. Justice Ministry would be needed for publication in the Netherlands of any confidential information supplied by the U.S.

He did not rule out the possibility of an abridged version of the report being presented to Parliament. The Government has said it reserved the right to decide in what form the report would be published.

The independent three-man commission was set up early in February to investigate allegations made in the U.S., that Prince Bernhard had accepted more than $1m. from Lockheed to promote aircraft sales in the Netherlands, notably of the F-104 Starfighter.

The Prince, who has denied the allegations, is Chief Inspector of the Dutch armed forces and a supervisory Board member of a number of Dutch companies, including Fokker, the aerospace concern, and KLM.

UDT may have won £3m. cut in annual 'lifeboat' loan interest

BY MARGARET REID

UNITED DOMINIONS TRUST, the finance house group which is the largest recipient of loans from the big banks' "lifeboat," is believed to have negotiated a further reduction in the interest it pays on these borrowings, saving it up to £3m. a year.

The company, now headed by Mr. Leonard Mather, formerly a vice-chairman of the Midland Bank, is also thought to have reduced the amount it has on loan from the "lifeboat" significantly below the earlier figure of £450m.

Until February this year, UDT was paying interest on its money from the "lifeboat"—which had been launched by the major banks to help those hit by the secondary banking crisis—at a rate 1½ per cent. above the London interbank rate.

This additional margin was then cut back by ¼ per cent. to 1¼ per cent. so saving the group some £2m. a year on its "lifeboat" borrowings of more than £400m.

Biggest borrower

It is now thought that a further cut has been arranged lowering the margin again, probably by ½ per cent. to around ¾ per cent. UDT has claimed strenuously that it needed a lower interest rate to help it surmount the extensive problems it has had to contend with.

The big banks who manage and finance the "lifeboat" have evidently recognised this. UDT is, after all, the biggest borrower of these funds, so that an improvement in its situation would be a useful step towards the solution of the secondary banking saga.

UDT, which in the first half of the past year made a modest pre-tax profit of £0.5m., compared with a net loss of £31.2m. a year earlier, is due to announce its results for the full-year 1975-76 to-morrow.

Total borrowings by all assisted concerns from the "lifeboat" are now down to around £800m., from £1.14bn. some months ago.

Paris currency reserves fall after bid to protect franc

BY RUPERT CORNWELL — PARIS, August 16.

THE RELATED problems of a declining gold price and pressure on the franc have been clearly shown by the French reserve figures for last month, issued to-night by the Finance Ministry.

They provide the first confirmation that France again bought gold at the second IMF auction in Washington last month. The acquisition of 1,431 kilos—about a ton and a half—increased the value of the country's bullion stock by Frs.27m. to Frs.60.3bn. (£6.8bn.)

However, pressure on the franc during the month cost the currency reserves a declared Frs.1.2bn. (£135m.), reducing them to Frs.19.9bn. (£2.2bn.), and the country's total reserves including gold and automatic IMF borrowing tranches to Frs.85.5bn. (£9.5bn.).

The real reserves loss is believed to have been rather higher concealed in part by foreign borrowing.

Given the weak gold market, which may force a further write down of the metal component of French reserves, the immediate ammunition to hand to protect the franc is now under $4bn. (£2.2bn.) in currency reserves—barely more than the sum spent to try to keep the currency in the EEC joint float last March.

In the circumstances, observers are not surprised that market intervention has been so scarce—probably no more than $650m. since the latest decline started in mid-July—and that the Bank of France has relied so heavily on interest rate policy to hold the line.

This is the price France has to pay for its attachment to gold. Practical and ideological reasons make a high bullion price particularly important to Paris.

Yet every purchase at an IMF auction reduces further the currency reserves it can marshall quickly, and consequently its role for monetary manoeuvre.

John Wicks writes from Zurich: The Swiss National Bank has announced its new gold purchases from the International Monetary Fund auction as 46,000 ozs at $122.08 an oz.

Booked in the National Bank's balance at the official price of Sw.Frs.4,595.74 per kilo fine gold, this results in an increase in the Bank's officialy-valued gold holdings to about Sw.Frs.11,904m.

Yen goes higher on strength of likely trade surplus

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE YEN advanced further against the dollar yesterday, reaching its highest level for nearly 17 months, ahead of today's expected announcement of another large trade surplus for Japan.

Otherwise, conditions in the foreign exchange markets were generally more settled than at the end of last week with less pressure on the weaker currencies in the "snake," the European joint float.

Some of the speculative positions built up in the last few days appear to have been partly unwound and the week-end rumours about an imminent realignment of currencies abated somewhat.

Both the Belgian and Dutch currencies came off the bottom level within the snake following the increase in their discount rates on Friday.

The D Mark and the Swiss franc, however, both rose slightly during the day against the dollar which ended weaker at the close against most European currencies. (The French market was closed for a public holiday.)

The market's nervousness about an eventual appreciation of both the D-mark and the yen could be tested by any item such as a large trade surplus which apparently highlights the case for such a realignment.

The yen yesterday closed at Y290½ in Europe, against Y291. Although official intervention in Tokyo was described as light for most of the day, there were reports in London that the Bank of Japan may have bought at least $10m. to control the rise, and possibly more—very much less, however, than when the yen came under pressure last month.

Sterling had a relatively quiet day, closing unchanged at $1.7815, after a low of $1.7770, with little apparent reaction from the big July trade deficit announced on Friday. Yen gains, Page 4

No compromise for doctors from Ennals

BY KEVIN DONE, INDUSTRIAL STAFF

MR. DAVID ENNALS, the Social Services Secretary, yesterday offered no compromise to the junior doctors, who meet later this week to discuss strike action in their dispute about overtime pay.

He told them that the Government's latest offer "represented the absolute limit" to which it was able to go under the pay policy.

In a letter to Dr. David Wardle, chairman of the British Medical Association's hospital junior staffs committee, Mr. Ennals claimed that the junior doctors were "entirely mistaken" in thinking that the proposed "mark-time" arrangements amounted only to a deferred pay cut.

The arrangements would mean that junior doctors would not lose money when they moved to new jobs involving the same amount of work.

Junior doctors are already taking various kinds of industrial action in many parts of England in support of their claim. In the main they are working only a basic 40-hour week, operated flexibly, so as to maintain cover for emergency cases.

Broken accord

They feel that the Government is breaking an agreement reached early this year on doctors receiving overtime pay during holiday periods or study leave.

Dr. Wardle said Mr. Ennals' letter could only make matters worse. The conflict and confrontation was of the Government's making.

"We are forced to the conclusion that Mr. Ennals is seeking to break the accord with which both sides sought to bring to an end the contract dispute in December."

For the first time since the dispute began Dr. Wardle revealed that the doctors' independent salary review body had told the Department of Health in May that it assumed that in pricing the doctors' contract within the pay policy the full salary would be paid throughout the year.

Dr. Wardle pointed out that 60 per cent. of the employing authorities covering 80 per cent. of the doctors had already implemented the contract as understood by the doctors.

"For the Government to decide unilaterally to reduce the annual salary of doctors under the guise of the pay policy can only be described as dishonest."

Stormy meeting

He accused Mr. Ennals of misleading the public over the doctors' contract. The junior doctors had never tried to break the pay policy.

The scene is now set for a stormy meeting of the hospital junior staffs committee, on Thursday, called to consider escalating the doctors' industrial action. The meeting is certain to discuss a call from some regions for 24-hour strikes as one form of more militant action.

Mr. Ennals said yesterday that there was no question of any breach of faith by the Government. He was sorry that the doctors had made this suggestion.

Junior doctors in England were already contracting for duty hours which would leave them, on average, more than £800 better off in a full year than under their previous contracts. Any further costs on the pay bill would impose an unacceptable strain on the pay policy, "however reasonable the proposal might be."

The national pay policy should command as much support from the junior doctors as from any group in society, said Mr. Ennals "It is the lynch-pin of our battle against inflation."

Doctors were wrong to take industrial action causing inconvenience and even danger to patients as a means of seeking to influence Government policy.

Lower trading loss reported by Alfred Herbert

BY ROY HODSON

ALFRED HERBERT, the machine tool group, has achieved a markedly better financial performance in its first half-year as a State-owned company despite a continuing shortage of new orders.

The trading loss for the first six months to June 30 was £735,000 compared with a loss of £2.18m. in the first half of 1975. After taxation, the company shows a £1.28m. loss for the half year (£3.48m. in the first half of 1975).

Recovery

Turnover was £23.7m. compared with £20.4m. in 1975.

With machine tools now being stockpiled under the Government finance scheme for the industry, Alfred Herbert could be in the black by the end of the year given a reasonable flow of orders. "The rate of recovery will be decided mainly by order intake," Mr. J. W. Buckley, chairman, said last night.

He was satisfied that the latest results demonstrated a satisfactory trend in the company's recovery, backed by £25m. of Government finance and £5m. available from the Government under the machine tool stockpiling scheme.

The scheme had been of great value to Alfred Herbert which had drawn upon £1.5m. of the stockpiling facility. This had enabled production to be maintained at reasonable levels during a period of acute shortage of orders.

The sluggish rate of ordering of machine tools was now affecting the industry worldwide. But there were signs of recovery, and company's hopes were pinned on winning some important business from the British Leyland investment programme.

Continued from Page 1

Buckley clears way

Ford running mates, questioned its legality this morning. Mr. Clarke Reed, the important chairman of the Mississippi delegation, said he thought the idea had much intrinsic merit but he had not decided whether to vote for it.

Attention is focussed on the Mississippi delegation, whose 30 members remain technically uncommitted. Mr. Ford's staff say he commands the support of 17 of them. But Mr. Reed, an original Reagan backer who switched to the President largely because of the selection of Senator Schweiker, said to-day the split was still even.

By tradition, Mississippi Republicans vote at the Convention under the so-called unit rule—that is, whichever candidate has a majority of the delegates gets the votes of all 30.

There is a move afoot to abandon this. The Ford strategists, who are working overtime on Mississippi, say they do not mind what the state decides.

Seventeen delegates, they say, would be enough to put the President over the 1,130 he needs to win, while 30 would simply be icing on the cake.

Delegate-hunting has consumed both Mr. Ford and Mr. Reagan since they got here yesterday afternoon.

That the sitting President should have come to the Convention so early to take what is said to be personal charge of his own campaign effort is, of course, almost unprecedented. It underlines the closeness of the contest.

For what it is worth, Mr. Ford was said to have gained two more supporters in Hawaii and possibly three in Pennsylvania.

Mr. Reagan claimed two and possibly three from Pennsylvania as well (though the state is still likely to split heavily in favour of Mr. Ford) and was working hard this morning to prevent any slippage in Indiana and among his Southern supporters.

LONG-RANGE WEATHER

No early end to drought

THE LONG-RANGE weather forecast issued yesterday holds little hope for an end to the drought affecting many parts of Britain.

Rainfall is expected to be below average generally.

The forecast until September 15 is: Mainly dry and settled wether with only brief disturbed spells. Mean temperatures and total amounts of sunshine will probably be above average generally. The latter half of the period will probably be cooler relative to average than the first half

(£938,036) from Lockheed Air-

THE LEX COLUMN

Royal leaves the storms behind

Index rose 2.8 to 377.2

Even more than for General Accident last week Royal's half-time figures show a dramatic improvement between the first and second quarters. Thus the underwriting loss of £15.9m. for January-March—which included some £8m. of abnormal storm damage claims—has been turned round into a profit of £7.7m. for April-June, when catastrophe experience became unusually favourable. With investment income advancing £13.4m. to £41.3m.—more than half the gain being explained by the rights issue proceeds and the fall in sterling—Royal has produced half-time profits of £34.5m. pre-tax, slightly more than for the whole of last year.

Royal's advance in the U.S. from an operating ratio of 109.9 per cent. in the first quarter to 101.5 per cent. in the second is significantly more rapid than by either CU or GA, lagging by about 5 and 3 points respectively. The company points to the rise of only 7 per cent. in first half premiums in dollar terms as an indication—in the context of some fairly steep rate increases in many lines—of just how selective it has become. Elsewhere, only the Netherlands has contributed underwriting losses, though Royal warns that Canada faces a seasonally more sticky second half and competition is stiffening in Australia.

The second quarter, in fact, looks rather exceptional, and it would be unwise to project more than £75m. pre-tax for the full year (earnings of just over 30p a share). But Royal has provided more justification for the renewed enthusiasm about the composite sector, with its shares up 10p to 308p.

See also Page 17

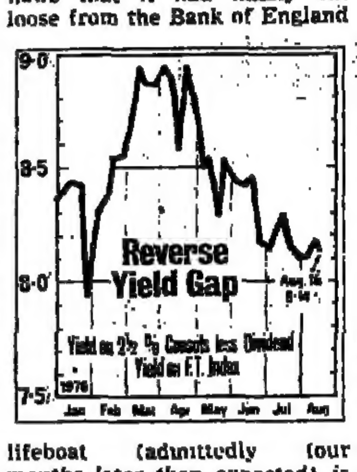
Islington loan

Islington has turned to the medium-term corporation market with a £15m. new issue for the second time in eleven months in order to support its housing programme, currently running at £50m. a year. Given yesterday's firmness in the gilt market, Islington looks fortunate in its timing, though the terms of the issue itself are not giving much away. The offer of 13½ per cent. stock, 1982, at £99¼ per cent. gives a running yield of 13.57 per cent. for an edge over the 13.36 per cent. from the recent Sandwell issue though Islington's redemption yield of 13.61 falls marginally short of Sandwell's 13.66 per cent. Taken against the comparable Treasury stock, the yield differential is similar to that of Sandwell at the time of issue, but because Islington's terms are pitched rather tight against other corporation stocks there is unlikely to be much excitement generated for this issue. However, there is reasonable demand in the market for stocks of this date and that may be sufficient to get Islington's offer off the ground.

See also Page 16

Keyser Ullmann

Keyser Ullmann's welcome news that it had finally cut loose from the Bank of England



lifeboat (admittedly four months later than expected) is spoilt by the fact that even after last year's massive £64m provisions it has had to provide an extra £7.25m. this year. As a result the hoped-for profit has been turned into a £5.3m. pre-tax loss leading to a further reduction in shareholders' funds from last year's £42.6m. to £36.7m.; a far cry from the £100m. of 1974.

True, just over half of the extra provision is due to problems in the housebuilding and industrial subsidiaries, but the rest reflects the fact that even KU's new and conservative management had underestimated the problems on the property side. This seems all the more surprising since at the halfway stage in September KU saw no need to make any extra provisions for bad debts. But it says that the property market worsened towards the end of the year and this is conf by the trend on the ba side where profits of £2.4 the first half fell to £1.3 the second half, princ because one client st making interest payments.

Clearly the bad debt is taking longer than exp to unravel. The delay in ing the lifeboat was due t completions running three months behind sch

Last year loans of about were actually recovere which £18m. had to be vested in property. But the latter commitments down to £6m., net recove £30m. this year, and £30m year should be freed for lending. So far all o money has gone to repay lifeboat, explaining advances fell by £23 £152.7m. in the second-ha

There is no positive n from the results for the price, which has fallen from the year's high of 39p, where KU is ca capitalised at £20m. But tax losses of £60m. in there is a clear incenti somebody to help the return to profitability.

See also Page 20

Tremletts

Tremletts made a profit of £1.28m. last ye reckons currently to be a "very good" positive cas depreciation and ret totalled £1m. in 1975-76. directors still have a of gearing hurdles to o and although some sort listing timetable is abou drawn up shareholders p have little hope of a requ much before 1977.

At March 31, Tremle borrowings were runni 30 per cent. ahead o holders' funds of £2.6 cutting loose at an effec of £1½m. from the las overseas operations has further debt pressures balance sheet date and t rowings could curren closer to £6½m., or roughl fifths of capital employ figure eases back net o in cash, and money out on asset sales probabl around £½m. No furth sales are planned so the sheet hopes now hi Tremletts' earnings p which last year extende a share, fully diluted.

See also Page 2

Weather

U.K. TO-DAY

MAINLY dry, sunny and very warm. Isolated showers possible.

London, S. England, Midlands, S. Wales

Sunny and hot inland. Cooler on coasts. Max. 27C (81F).

Channel Is.

Dry, sunny and very warm. Max. 24C (75F).

N. Wales, N.W. and Cent. N. England, Lakes

Mainly dry, sunny intervals. Perhaps isolated showers later. Max. 25C (77F).

I. of Man, W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland

Dry, sunny spells. Cooler on coasts. Max. 25C (77F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland

Dry, sunny spells. Coastal fog patches. Max. 23C (73F).

E. Anglia, N.E., E. England

Mainly dry, sunny spells. Cooler on coasts. Max. 25C

Orkney, Shetland

Dry, sunny spells. Max. 18C

Outlook: Little change.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	S	23	73	Manchstr.	S	24	75
Athens	S	28	82	Melbourne	C	11	52
Barcelona	S	26	79	Mexico C.	S	19	66
Belfast	S	23	73	Milan	C	21	70
Belgrade	S	25	77	Montreal	C	15	59
Berlin	F	23	73	Moscow	C	20	68
Birmghm.	S	24	75	Munich	C	18	64
Bristol	S	25	77	Newcastle	S	22	72
Brussels	S	25	77	New York	S	30	86
Budapest	F	24	75	Oslo	S	24	75
B. Aires	C	12	53	Paris	S	26	79
Cairo	S	31	89	Perth	C	15	59
Cardiff	S	25	77	Prague	S	23	73
Cologne	S	24	75	Reykjavik	D	7	45
Copnhgn.	S	21	70	Rio de J'o	C	21	71
Dublin	S	23	73	Rome	F	29	84
Edinburgh	F	23	73	Singapore	S	30	86
Frankfurt	S	24	75	Stockholm	T	22	72
Geneva	C	20	68	Strasb'rg	S	25	77
Glasgow	S	24	75	Sydney	F	16	61
Helsinki	F	23	73	Tehran	S	32	90
Hong Kong	S	29	84	Tel Aviv	S	29	84
Jo'burg	S	21	70	Tokyo	C	24	76
Lisbon	S	28	82	Toronto	S	19	66
London	S	24	75	Vienna	S	24	75
Luxemb'g	S	23	73	Warsaw	F	20	68
Madrid	S	29	84	Zurich	C	17	63

HOLIDAY RESORTS

Ajaccio	S	28	82	Jersey	S	23	73
Algiers	S	32	90	Las Plms.	S	31	88
Biarritz	F	22	72	Locarno	F	23	73
Blackpool	S	21	70	Majorca	S	30	86
Bordeaux	S	26	79	Malaga	S	34	93
Boulogne	F	23	73	Malta	S	28	82
Cape Town	C	18	65	Nairobi	C	20	68
Corfu	S	28	82	Naples	C	29	84
Dubrovnik	C	25	78	Nice	T	22	72
Faro	S	26	79	Oporto	S	26	79
Funchal	S	25	77	Rhodes	S	29	84
Gibraltar	S	32	90	Salzburg	C	20	68
Guernsey	S	20	68	Tangier	F	28	82
Innsbruck	C	18	64	Tenerife	S	32	90
Inverness	S	19	66	Tunis	S	39	102
Isle of Man	S	21	70	Valencia	F	28	82
Istanbul	S	27	81	Venice	F	22	72

C—Cloudy. D—Drizzle. F—Fair. R—Rain. S—Sunny. T—Thunder.

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